

Senate Study Bill 1241

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
ECONOMIC DEVELOPMENT
BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the requirements of certain financial
2 assistance programs administered by the department of economic
3 development including a reorganization of the grow Iowa values
4 fund and creating a grow Iowa values financial assistance
5 program.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
7 TLSB 1441DP 83
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1 1 DIVISION I
1 2 GROW IOWA VALUES FUND REORGANIZATION
1 3 Section 1. NEW SECTION. 15G.108A DEFINITIONS.
1 4 For purposes of this chapter, unless the context otherwise
1 5 requires:
1 6 1. "Base employment level" means the number of full-time
1 7 equivalent positions at a business, as established by the
1 8 department and a business using the business's payroll
1 9 records, as of the date a business applies for financial
1 10 assistance under the program.
1 11 2. "Benefit" means nonwage compensation provided to an
1 12 employee. Benefits typically include medical and dental
1 13 insurance plans, pension, retirement, and profit-sharing
1 14 plans, child care services, life insurance coverage, vision
1 15 insurance coverage, disability insurance coverage, and any
1 16 other nonwage compensation as determined by the board.
1 17 3. "Board" means the Iowa economic development board.
1 18 4. "County wage" means the county wage calculation
1 19 performed by the department pursuant to section 15G.112,
1 20 subsection 3.
1 21 5. "Created job" means a new, permanent, full-time
1 22 equivalent position added to a business's payroll in excess of
1 23 the business's base employment level.
1 24 6. "Department" means the department of economic
1 25 development.
1 26 7. "Financial assistance" means assistance provided only
1 27 from the funds, rights, and assets legally available to the
1 28 department pursuant to this chapter and includes but is not
1 29 limited to assistance in the form of grants, loans, forgivable
1 30 loans, and royalty payments.
1 31 8. "Fiscal impact ratio" means the ratio of the amount of
1 32 all taxes to be received from a business by the state and its
1 33 political subdivisions divided by the total cost to the state
1 34 and its political subdivisions of providing certain financial
1 35 incentives to the business.
2 1 9. "Full-time equivalent position" means a non-part-time
2 2 position for the number of hours or days per week considered
2 3 to be full-time work for the kind of service or work performed
2 4 for an employer. Typically, a full-time equivalent position
2 5 requires two thousand eighty hours of work in a calendar year,
2 6 including all paid holidays, vacations, sick time, and other
2 7 paid leave.
2 8 10. "Fund" means the grow Iowa values fund created in
2 9 section 15G.111.
2 10 11. "Maintenance period" means the period of time between
2 11 the project completion date and maintenance period completion
2 12 date.
2 13 12. "Maintenance period completion date" means the date on
2 14 which the maintenance period ends.
2 15 13. "Project completion date" means the date by which a

2 16 recipient of financial assistance has agreed to meet all the
2 17 terms and obligations contained in an agreement with the
2 18 department as described in section 15G.112, subsection 1,
2 19 paragraph "d".

2 20 14. "Project completion period" means the period of time
2 21 between the date financial assistance is awarded and the
2 22 project completion date.

2 23 15. "Qualifying wage threshold" means the county wage or
2 24 the regional wage, as calculated by the department pursuant to
2 25 section 15G.112, subsection 3, whichever is lower.

2 26 16. "Regional wage" means the regional wage calculation
2 27 performed by the department pursuant to section 15G.112,
2 28 subsection 3.

2 29 17. "Retained job" means a full-time equivalent position,
2 30 in existence at the time an employer applies for financial
2 31 assistance which remains continuously filled or authorized to
2 32 be filled as soon as possible and which is at risk of
2 33 elimination if the project for which the employer is seeking
2 34 assistance does not proceed.

2 35 Sec. 2. Section 15G.111, Code 2009, is amended to read as
3 1 follows:

3 2 15G.111 APPROPRIATIONS GROW IOWA VALUES FUND ==
3 3 APPROPRIATION == ALLOCATION OF FUND MONEYS.

~~3 4 1. a. For the fiscal period beginning July 1, 2007, and~~
~~3 5 ending June 30, 2015, there is appropriated each fiscal year~~
~~3 6 from the grow Iowa values fund created in section 15G.108, the~~
~~3 7 following amounts for the purposes designated:~~

~~3 8 (1) For each fiscal year of the fiscal period beginning~~
~~3 9 July 1, 2007, and ending June 30, 2009, to the department of~~
~~3 10 economic development thirty million dollars for the following~~
~~3 11 programs administered by the department:~~

~~3 12 (a) The targeted small business financial assistance~~
~~3 13 program established pursuant to section 15.247.~~

~~3 14 (b) The community economic betterment program established~~
~~3 15 pursuant to section 15.317.~~

~~3 16 (c) The entrepreneurial ventures assistance program~~
~~3 17 established pursuant to section 15.339.~~

~~3 18 (d) The value-added agricultural products and processes~~
~~3 19 financial assistance program established pursuant to section~~
~~3 20 15E.111.~~

~~3 21 (e) The physical infrastructure financial assistance~~
~~3 22 program established pursuant to section 15E.175.~~

~~3 23 (f) The loan and credit guarantee program established~~
~~3 24 pursuant to section 15E.224.~~

~~3 25 (2) For each fiscal year of the fiscal period beginning~~
~~3 26 July 1, 2009, and ending June 30, 2015, to the department of~~
~~3 27 economic development thirty-two million dollars for the~~
~~3 28 following programs administered by the department:~~

~~3 29 (a) The targeted small business financial assistance~~
~~3 30 program established pursuant to section 15.247.~~

~~3 31 (b) The community economic betterment program established~~
~~3 32 pursuant to section 15.317.~~

~~3 33 (c) The entrepreneurial ventures assistance program~~
~~3 34 established pursuant to section 15.339.~~

~~3 35 (d) The value-added agricultural products and processes~~
~~4 1 financial assistance program established pursuant to section~~
~~4 2 15E.111.~~

~~4 3 (e) The physical infrastructure financial assistance~~
~~4 4 program established pursuant to section 15E.175.~~

~~4 5 (f) The loan and credit guarantee program established~~
~~4 6 pursuant to section 15E.224.~~

~~4 7 b. Each year that moneys are appropriated under this~~
~~4 8 subsection, the department shall allocate a percentage of the~~
~~4 9 moneys for each of the following types of activities:~~

~~4 10 (1) Business start-ups.~~

~~4 11 (2) Business expansion.~~

~~4 12 (3) Business modernization.~~

~~4 13 (4) Business attraction.~~

~~4 14 (5) Business retention.~~

~~4 15 (6) Marketing.~~

~~4 16 (7) Research and development.~~

~~4 17 c. The department shall require an applicant for moneys~~
~~4 18 appropriated under this subsection to include in the~~
~~4 19 application a statement regarding the intended return on~~
~~4 20 investment. A recipient of moneys appropriated under this~~

~~4 21 subsection shall annually submit a statement to the department~~
~~4 22 regarding the progress achieved on the intended return on~~
~~4 23 investment stated in the application. A recipient of moneys~~
~~4 24 appropriated under this subsection shall also annually submit~~

~~4 25 a statement to the department regarding the type and amount of~~
~~4 26 funds spent on any major maintenance, repair, or renovation of~~

~~4 27 any new or existing building. The department, in cooperation~~
~~4 28 with the department of revenue, shall develop a method of~~
~~4 29 identifying and tracking each new job created and the~~
~~4 30 leveraging of moneys through financial assistance from moneys~~
~~4 31 appropriated under this subsection. The department of~~
~~4 32 economic development shall identify research and development~~
~~4 33 activities funded through financial assistance from not more~~
~~4 34 than ten percent of the moneys appropriated under this~~
~~4 35 subsection, and, instead of determining return on investment~~
~~5 1 and job creation for the identified funding, determine the~~
~~5 2 potential impact on the state's economy. The department's~~
~~5 3 annual project status report satisfies the reporting~~
~~5 4 requirement contained in this section.~~

5 5 d. The department may use moneys appropriated under this
5 6 subsection to procure technical assistance from either the
5 7 public or private sector, for information technology purposes,
5 8 for a statewide labor shed study, and for rail, air, or river
5 9 port transportation-related purposes. The use of moneys
5 10 appropriated for rail, air, or river port
5 11 transportation-related purposes must be directly related to an
5 12 economic development project and the moneys must be used to
5 13 leverage other financial assistance moneys.

5 14 e. Of the moneys appropriated under this subsection, the
5 15 department may use up to one and one-half percent for
5 16 administrative purposes.

5 17 f. The Iowa economic development board shall approve or
5 18 deny applications for financial assistance provided with
5 19 moneys appropriated under this subsection. In providing such
5 20 financial assistance, the board shall, whenever possible,
5 21 coordinate the assistance with other programs administered by
5 22 the department of economic development, including the
5 23 community economic betterment program established in section
5 24 15.317 and the value-added agricultural products and processes
5 25 financial assistance program established in section 15E.111.

5 26 g. It is the policy of this state to expand and stimulate
5 27 the state economy by advancing, promoting, and expanding
5 28 biotechnology industries in this state. To implement this
5 29 policy, the Iowa economic development board shall consider
5 30 providing assistance to projects that increase value-added
5 31 income to individuals or organizations involved in
5 32 agricultural business or biotechnology projects. Such a
5 33 project need not create jobs specific to the project site;
5 34 however, such a project must foster the knowledge and
5 35 creativity necessary to promote the state's agricultural
6 1 economy and to increase employment in urban and rural areas as
6 2 a result.

6 3 2. a. For the fiscal period beginning July 1, 2005, and
6 4 ending June 30, 2015, there is appropriated each fiscal year
6 5 from the grow Iowa values fund created in section 15G.108 to
6 6 the department of economic development

6 7 1. FUND CREATED. A grow Iowa values fund is created in
6 8 the state treasury under the control of the department of
6 9 economic development consisting of the following:

6 10 a. The moneys appropriated to the department pursuant to
6 11 section 15G.110.

6 12 b. Payments of interest, repayments of moneys loaned, and
6 13 recaptures of grants and loans made pursuant to this chapter.

6 14 c. All moneys accruing to the department, including
6 15 payments of interest, repayments of moneys loaned, royalty
6 16 payments received, and recaptures of grants, loans, or other
6 17 forms of financial assistance provided to recipients, from the
6 18 department's administration of the following preexisting
6 19 programs:

6 20 (1) The community economic betterment program established
6 21 pursuant to section 15.317, Code 2009.

6 22 (2) The entrepreneurial ventures assistance program
6 23 established pursuant to section 15.339, Code 2009.

6 24 (3) The value-added agricultural products financial
6 25 assistance program established pursuant to section 15E.111,
6 26 Code 2009.

6 27 (4) The physical infrastructure assistance program
6 28 established pursuant to section 15E.175, Code 2009.

6 29 (5) The loan and credit guarantee program established
6 30 pursuant to section 15E.224, Code 2009.

6 31 2. FUND ADMINISTRATION.

6 32 a. The department shall administer the fund consistent
6 33 with the provisions of this chapter and with other pertinent
6 34 Acts of the general assembly, including providing financial
6 35 assistance awards pursuant to section 15G.112.

7 1 b. In awarding financial assistance in a fiscal year from
7 2 moneys appropriated to the fund pursuant to section 15G.110,

7 3 the department shall commit, obligate, or promise not more
7 4 than fifty percent of the moneys appropriated from the fund
7 5 and allocated pursuant to subsection 4, for use during the
7 6 first fiscal year following the fiscal year in which the
7 7 financial assistance is awarded and not more than twenty-five
7 8 percent of the moneys appropriated from the fund and allocated
7 9 pursuant to subsection 4, for use during the second fiscal
7 10 year following the fiscal year in which the financial
7 11 assistance is awarded.

7 12 c. Moneys credited to the fund are not subject to section
7 13 8.33. Notwithstanding section 12C.7, interest or earnings on
7 14 moneys in the fund shall be credited to the fund.

7 15 d. Of the moneys accruing to the fund pursuant to
7 16 subsection 1, paragraph "c", the department, with the approval
7 17 of the board, may allocate an amount necessary to fund
7 18 administrative and operations costs. An allocation pursuant
7 19 to this section may be made in addition to any allocations
7 20 made pursuant to subsection 4, paragraph "a".

7 21 3. APPROPRIATION. For each fiscal year of the fiscal
7 22 period beginning July 1, 2009, and ending June 30, 2015, there
7 23 is appropriated from the fund to the department of economic
7 24 development for purposes of making expenditures pursuant to
7 25 this chapter fifty million dollars.

7 26 4. DEPARTMENTAL PURPOSES. Of the moneys appropriated to
7 27 the department pursuant to subsection 3, the department shall
7 28 allocate thirty-two million dollars each fiscal year as
7 29 follows:

7 30 a. For administrative costs, an amount not more than two
7 31 and one-half percent of the moneys subject to allocation under
7 32 this subsection.

7 33 b. For awards of financial assistance pursuant to section
7 34 15G.112, an amount approved by the board.

7 35 c. For marketing proposals pursuant to section 15G.109, an
8 1 amount approved by the board.

8 2 d. For a statewide labor shed study conducted in
8 3 coordination with the department of workforce development, an
8 4 amount approved by the board.

8 5 e. For responding to opportunities and threats, as
8 6 described in section 15G.113, an amount approved by the board.

8 7 f. For procuring technical assistance from either the
8 8 public or private sector and for information technology
8 9 purposes, an amount approved by the board.

8 10 g. For covering existing guarantees made under the loan
8 11 and credit guarantee program established pursuant to section
8 12 15E.224, Code 2009, an amount approved by the board.

8 13 h. During the fiscal year beginning July 1, 2009, and
8 14 ending June 30, 2010, for deposit in the renewable fuel
8 15 infrastructure fund as provided in section 15G.205, two
8 16 million dollars. This paragraph is repealed on July 1, 2010.

8 17 5. BOARD OF REGENTS INSTITUTIONS. Of the moneys
8 18 appropriated to the department pursuant to subsection 3, the
8 19 department shall allocate five million dollars each fiscal
8 20 year for financial assistance to institutions of higher
8 21 learning under the control of the state board of regents.

8 22 a. The financial assistance allocated pursuant to this
8 23 subsection is for capacity building infrastructure in areas
8 24 related to technology commercialization, for marketing and
8 25 business development efforts in areas related to technology
8 26 commercialization, entrepreneurship, and business growth, and
8 27 for infrastructure projects and programs needed to assist in
8 28 the implementation of activities under chapter 262B.

8 29 b. In allocating moneys to institutions under the control
8 30 of the state board of regents, the board shall require the
8 31 institutions to provide a one-to-one match of additional
8 32 moneys for the activities funded with moneys appropriated
8 33 under this subsection.

8 34 c. The board of regents shall submit to the board each
8 35 fiscal year a plan describing all proposed expenditures of the
9 1 moneys received from the department pursuant to this
9 2 subsection. The economic development board shall approve,
9 3 deny, modify, or defer all proposed expenditures under the
9 4 plan.

9 5 d. The state board of regents shall annually prepare a
9 6 report for submission to the governor, the general assembly,
9 7 and the legislative services agency regarding the activities,
9 8 projects, and programs funded with moneys appropriated
9 9 allocated under this subsection.

9 10 ~~b- e.~~ e. The state board of regents may ~~allocate~~ disburse
9 11 any moneys ~~appropriated~~ allocated under this subsection and
9 12 received from the department for financial assistance to a
9 13 single biosciences development organization determined by the

9 14 department to possess expertise in promoting the area of
9 15 bioscience entrepreneurship. The organization must be
9 16 composed of representatives of both the public and the private
9 17 sector and shall be composed of subunits or subcommittees in
9 18 the areas of existing identified biosciences platforms,
9 19 education and workforce development, commercialization,
9 20 communication, policy and governance, and finance. Such
9 21 financial assistance shall be used for purposes of activities
9 22 related to biosciences and bioeconomy development under
9 23 chapter 262B, and to accredited private universities in this
9 24 state.

~~9 25 3. For the fiscal period beginning July 1, 2005, and
9 26 ending June 30, 2015, there is appropriated each fiscal year
9 27 from the grow Iowa values fund created in section 15G.108 to
9 28 the department of economic development~~

~~9 29 6. STATE PARKS. Of the moneys appropriated to the
9 30 department pursuant to subsection 3, the department shall
9 31 allocate one million dollars each fiscal year for purposes of
9 32 providing financial assistance for projects in targeted state
9 33 parks, state banner parks, and destination parks.~~

~~9 34 a. The department of natural resources shall submit a plan
9 35 to the department of economic development board for the
10 1 proposed expenditure of moneys appropriated under received
10 2 from the department pursuant to this subsection. The plan
10 3 shall focus on improving state parks, state banner parks, and
10 4 destination parks for economic development purposes. The
10 5 board shall approve, deny, modify, or defer proposed
10 6 expenditures under the plan. Based on the report plan
10 7 submitted and the action of the board in regard to the plan,
10 8 the department of economic development shall provide financial
10 9 assistance to the department of natural resources for support
10 10 of state parks, state banner parks, and destination parks.~~

~~10 11 b. For purposes of this subsection, "state banner park"
10 12 means a park with multiple uses and which focuses on the
10 13 economic development benefits of a community or area of the
10 14 state.~~

~~10 15 4. For the fiscal period beginning July 1, 2005, and
10 16 ending June 30, 2015, there is appropriated each fiscal year
10 17 from the grow Iowa values fund created in section 15G.108 to
10 18 the office of the treasurer of state~~

~~10 19 7. CULTURAL TRUST FUND. Of the moneys appropriated to the
10 20 department pursuant to subsection 3, the department shall
10 21 allocate one million dollars each fiscal year for deposit in
10 22 the Iowa cultural trust fund created in section 303A.4. The
10 23 department of cultural affairs shall submit a plan to the
10 24 board for the proposed expenditure of moneys received from the
10 25 department pursuant to this subsection. The board shall
10 26 approve, deny, modify, or defer proposed expenditures under
10 27 the plan. Based on the plan submitted and the action of the
10 28 board in regard to the plan, the department of economic
10 29 development shall release the moneys allocated in this
10 30 subsection for deposit in the cultural trust fund.~~

~~10 31 5. For the fiscal period beginning July 1, 2005, and
10 32 ending June 30, 2015, there is appropriated each fiscal year
10 33 from the grow Iowa values fund created in section 15G.108 to
10 34 the department of economic development~~

~~10 35 8. COMMUNITY COLLEGES. Of the moneys appropriated to the
11 1 department pursuant to subsection 3, the department shall
11 2 allocate seven million dollars each fiscal year for deposit
11 3 into the workforce training and economic development funds of
11 4 the community colleges created pursuant to section 260C.18A.
11 5 The community colleges shall submit a plan to the board for
11 6 the proposed expenditure of moneys received from the
11 7 department pursuant to this subsection. The board shall
11 8 approve, deny, modify, or defer proposed expenditures under
11 9 the plan. Based on the plan submitted and the action of the
11 10 board in regard to the plan, the department shall release the
11 11 moneys allocated in this subsection for deposit in the
11 12 workforce training and economic development fund.~~

~~11 13 6. a. For the fiscal period beginning July 1, 2005, and
11 14 ending June 30, 2015, there is appropriated each fiscal year
11 15 from the grow Iowa values fund created in section 15G.108 to
11 16 the department of economic development~~

~~11 17 9. REGIONAL FINANCIAL ASSISTANCE. Of the moneys
11 18 appropriated to the department pursuant to subsection 3, the
11 19 department shall allocate one million dollars each fiscal year
11 20 for providing economic development region financial assistance
11 21 under section 15E.232, subsections 3, 5, 6, 7, and 8, and
11 22 under section 15E.233, and for providing financial assistance
11 23 for business accelerators pursuant to section 15E.351.~~

~~11 24 b. a. Of the moneys appropriated allocated in this~~

11 25 subsection, the department shall transfer three hundred fifty
11 26 thousand dollars each fiscal year for the fiscal period
11 27 beginning July 1, ~~2005~~ 2009, and ending June 30, 2015, to Iowa
11 28 state university of science and technology, for purposes of
11 29 providing financial assistance to establish small business
11 30 development centers in areas of the state previously served by
11 31 a small business development center, to develop business
11 32 succession plans, and to maintain existing small business
11 33 development centers. Of the three hundred fifty thousand
11 34 dollars transferred each fiscal year pursuant to this
11 35 paragraph, not more than one hundred thousand dollars shall be
12 1 used for business succession activities. Financial assistance
12 2 for a small business development center shall not exceed fifty
12 3 thousand dollars per fiscal year and shall not be awarded
12 4 unless the city or county where the center is located or
12 5 scheduled to be located demonstrates the ability to obtain
12 6 local matching moneys on a dollar-for-dollar basis for at
12 7 least twenty-five percent of the cost of the center.

12 8 ~~e.~~ b. Of the moneys ~~appropriated~~ allocated under this
12 9 subsection, the department may use up to fifty thousand
12 10 dollars each fiscal year during the fiscal period beginning
12 11 July 1, ~~2005~~ 2009, and ending June 30, 2015, for purposes of
12 12 providing training, materials, and assistance to Iowa business
12 13 resource centers.

~~12 14 7. a. For the fiscal period beginning July 1, 2006, and
12 15 ending June 30, 2009, there is appropriated for each fiscal
12 16 year from the grow Iowa values fund created in section 15G.108
12 17 two million dollars for deposit in the renewable fuel
12 18 infrastructure fund as provided in section 15G.205.~~

~~12 19 b. This subsection is repealed on July 1, 2009.~~

~~12 20 8. For the fiscal period beginning July 1, 2007, and
12 21 ending June 30, 2015, there is appropriated for each fiscal
12 22 year from the grow Iowa values fund created in section 15G.108
12 23 to the department of economic development~~

~~12 24 10. COMMERCIALIZATION SERVICES. Of the moneys
12 25 appropriated to the department pursuant to subsection 3, the
12 26 department shall allocate three million dollars for the
12 27 purpose of providing the commercialization services described
12 28 in section 15.411, subsections 2 and 3.~~

~~12 29 9. For the fiscal period beginning July 1, 2008, and
12 30 ending June 30, 2015, from the moneys appropriated each fiscal
12 31 year from the grow Iowa values fund created in section
12 32 15G.108, to the department for program administration pursuant
12 33 to subsection 1, paragraph "a", the department may allocate up
12 34 to five million dollars to projects qualifying for assistance
12 35 under the physical infrastructure financial assistance program
13 1 established pursuant to section 15E.175 which, notwithstanding
13 2 section 15G.112, shall not be subject to job or wage
13 3 requirements. The department may allocate moneys from the
13 4 grow Iowa values fund above five million dollars each year to
13 5 projects qualifying for assistance under the physical
13 6 infrastructure financial assistance program but such projects
13 7 shall be subject to the job and wage requirements of section
13 8 15G.112.~~

~~13 9 10. Notwithstanding section 8.33, moneys that remain
13 10 unexpended at the end of a fiscal year shall not revert to any
13 11 fund but shall remain available for expenditure for the
13 12 designated purposes during the succeeding fiscal year.~~

~~13 13 Sec. 3. Section 15G.112, Code 2009, is amended by striking
13 14 the section and inserting in lieu thereof the following:~~

~~13 15 15G.112 GROW IOWA VALUES FINANCIAL ASSISTANCE PROGRAM.~~

~~13 16 1. PROGRAM ESTABLISHED.~~

~~13 17 a. The department shall establish and administer a grow
13 18 Iowa values financial assistance program for purposes of
13 19 providing financial assistance from the fund to applicants.
13 20 The financial assistance shall be provided from moneys
13 21 credited to the grow Iowa values fund and not otherwise
13 22 obligated or allocated pursuant to section 15G.111.~~

~~13 23 b. The program shall consist of the components described
13 24 in subsections 4 through 9. Each fiscal year, the department,
13 25 with the approval of the board, shall allocate an amount of
13 26 financial assistance from the fund that may be awarded under
13 27 each component of the program to qualifying applicants.~~

~~13 28 c. In making awards of financial assistance pursuant to
13 29 subsections 4 and 5, the department shall calculate the fiscal
13 30 impact ratio, and in reviewing each application to determine
13 31 the amount of financial assistance to award, the board shall
13 32 ensure that the amount of each award is appropriate to the
13 33 fiscal impact ratio of the project.~~

~~13 34 d. For each award of financial assistance under the
13 35 program, the department and the recipient of the financial~~

14 1 assistance shall enter into an agreement describing the terms
14 2 and obligations under which the financial assistance is being
14 3 provided. The department may negotiate, subject to approval
14 4 by the board, the terms and obligations of the agreement. An
14 5 agreement shall contain but need not be limited to all of the
14 6 following terms and obligations:

- 14 7 (1) A project completion date.
- 14 8 (2) A maintenance period completion date.
- 14 9 (3) The number of jobs to be created or retained.
- 14 10 (4) The amount of financial assistance to be provided
14 11 under the program.
- 14 12 (5) An amount of matching funds from a city or county.
14 13 The department shall adopt by rule a formula for determining
14 14 the amount of matching funds required.
- 14 15 e. The department may enforce the terms and obligations of
14 16 agreements described in paragraph "d".
- 14 17 f. A recipient of financial assistance shall meet all
14 18 terms and obligations in an agreement by the project
14 19 completion date, but the board may for good cause extend the
14 20 project completion date.
- 14 21 g. During the maintenance period, a recipient of financial
14 22 assistance shall continue to comply with the terms and
14 23 obligations of an agreement entered into pursuant to paragraph
14 24 "d".
- 14 25 h. If a business that is approved to receive financial
14 26 assistance experiences a layoff within this state or closes
14 27 any of its facilities within this state, the board has the
14 28 discretion to reduce or eliminate some or all of the amount of
14 29 financial assistance to be received. If a business has
14 30 received financial assistance under this part and experiences
14 31 a layoff within this state or closes any of its facilities
14 32 within this state, the business may be subject to repayment of
14 33 all or a portion of the incentives that the business has
14 34 received.

14 35 2. STANDARD PROGRAM REQUIREMENTS. In addition to the
15 1 eligibility requirements of the individual program components
15 2 applicable to the financial assistance sought, a business
15 3 shall be subject to all of the following requirements:

- 15 4 a. The business shall submit to the department with its
15 5 application for financial assistance a report describing all
15 6 violations of environmental law or worker safety law within
15 7 the last five years. If, upon review of the application, the
15 8 board finds that a business has a record of violations of the
15 9 law, statutes, rules, or regulations that tends to show a
15 10 consistent pattern, the board shall not make an award of
15 11 financial assistance to the business unless the board finds
15 12 either that the violations did not seriously affect public
15 13 health, public safety, or the environment, or, if such
15 14 violations did seriously affect public health, public safety,
15 15 or the environment, that mitigating circumstances were
15 16 present.
- 15 17 b. The business shall not have closed, or substantially
15 18 reduced, operations in one area of this state and relocated
15 19 substantially the same operations in a community in another
15 20 area of this state. However, this paragraph shall not be
15 21 construed to prohibit a business from expanding its operation
15 22 in a community if existing operations of a similar nature in
15 23 this state are not closed or substantially reduced.
- 15 24 c. The proposed project shall not negatively impact other
15 25 businesses in competition with the business being considered
15 26 for assistance. The department shall make a good faith effort
15 27 to identify existing Iowa businesses within an industry in
15 28 competition with the business being considered for financial
15 29 assistance. The department shall make a good faith effort to
15 30 determine the probability that the proposed financial
15 31 assistance will displace employees of the existing businesses.
15 32 In determining the impact on businesses in competition with
15 33 the business being considered for financial assistance, jobs
15 34 created or retained as a result of other jobs being displaced
15 35 elsewhere in the state shall not be considered direct jobs
16 1 created or retained.

16 2 3. COUNTY AND REGIONAL WAGE CALCULATIONS.

16 3 a. In administering the financial assistance program, the
16 4 department shall annually calculate a county wage and a
16 5 regional wage for each county for purposes of determining the
16 6 eligibility of applicants for financial assistance under the
16 7 program.

- 16 8 (1) The county wage and the regional wage shall be an
16 9 hourly wage rate based on data from the most recent four
16 10 quarters of wage and employment information from the quarterly
16 11 covered wage and employment data report issued by the

16 12 department of workforce development.

16 13 (2) The department shall not include the value of benefits
16 14 when calculating the county wage or the regional wage.

16 15 b. The county wage shall be the average of the wages paid
16 16 for jobs performed in the county by employers in all
16 17 employment categories except the employment categories of
16 18 government, agriculture, and mining.

16 19 c. The regional wage shall be calculated as follows:

16 20 (1) Multiplying by four the county wage of a county.

16 21 (2) Adding together the county wage of each of the
16 22 counties adjacent to the county.

16 23 (3) Adding the result obtained in subparagraph (1) to the
16 24 result obtained in subparagraph (2).

16 25 (4) Dividing the result obtained in subparagraph (3) by
16 26 the sum of the number of counties adjacent to the county plus
16 27 four.

16 28 4. ONE HUNDRED THIRTY PERCENT WAGE COMPONENT.

16 29 a. In order to qualify for financial assistance under this
16 30 component of the program, a business shall meet all of the
16 31 following requirements:

16 32 (1) The business shall create or retain jobs as part of a
16 33 project, and the jobs created or retained shall meet one of
16 34 the following requirements:

16 35 (a) If the business is creating jobs, the business shall
17 1 demonstrate that the jobs will pay at least ninety percent of
17 2 the qualifying wage threshold at the start of the project
17 3 completion period, at least one hundred thirty percent of the
17 4 qualifying wage threshold by the project completion date, and
17 5 at least one hundred thirty percent of the qualifying wage
17 6 threshold until the maintenance period completion date.

17 7 (b) If the business is retaining jobs, the business shall
17 8 demonstrate that the jobs retained will pay at least one
17 9 hundred thirty percent of the qualifying wage threshold
17 10 throughout both the project completion period and the
17 11 maintenance period.

17 12 (2) The business shall provide a sufficient package of
17 13 benefits to each employee holding a created or retained job.
17 14 The board, at the recommendation of the department, shall
17 15 adopt rules determining what constitutes a sufficient package
17 16 of benefits.

17 17 (3) The business shall demonstrate that the jobs created
17 18 or retained will have a sufficient impact on state and local
17 19 government revenues as determined by the department after
17 20 calculating the fiscal impact ratio of the project.

17 21 (4) The business shall not be a retail business or a
17 22 business where entrance is limited by a cover charge or
17 23 membership requirement.

17 24 b. A business providing a sufficient package of benefits
17 25 to each employee holding a created or retained job shall
17 26 qualify for a credit against any of the one hundred thirty
17 27 percent qualifying wage threshold requirements described in
17 28 paragraph "a", subparagraph (1). The credit shall be
17 29 calculated and applied as follows:

17 30 (1) By multiplying the qualifying wage threshold of the
17 31 county in which the business is located by one and
17 32 three-tenths.

17 33 (2) By multiplying the result of subparagraph (1) by
17 34 one-tenth.

17 35 (3) The amount of the result of subparagraph (2) shall be
18 1 credited against the amount of the one hundred thirty percent
18 2 qualifying wage threshold requirement that the business is
18 3 required to meet under paragraph "a", subparagraph (1).

18 4 (4) The credit shall not be applied against the ninety
18 5 percent of qualifying wage threshold requirement described in
18 6 paragraph "a", subparagraph (1).

18 7 c. Notwithstanding the qualifying wage threshold
18 8 requirements described in paragraph "a", subparagraph (1), if
18 9 a business is also the recipient of financial assistance under
18 10 another program administered by the department, and the other
18 11 program requires the payment of higher wages than the wages
18 12 required under this subsection, the business shall be required
18 13 to pay the higher wages.

18 14 d. An applicant may apply to the board for a waiver of the
18 15 qualifying wage threshold requirements of this subsection.

18 16 5. ONE HUNDRED PERCENT WAGE COMPONENT. In order to
18 17 qualify for financial assistance under this component of the
18 18 program, a business shall meet all of the following
18 19 requirements:

18 20 a. The business shall create or retain jobs as part of a
18 21 project, and the jobs created or retained shall meet one of
18 22 the following qualifying wage thresholds:

18 23 (1) If the business is creating jobs, the business shall
18 24 demonstrate that the jobs will pay at least ninety percent of
18 25 the qualifying wage threshold at the start of the project
18 26 completion period, at least one hundred percent of the
18 27 qualifying wage threshold by the project completion date, and
18 28 at least one hundred percent of the qualifying wage threshold
18 29 until the maintenance period completion date.

18 30 (2) If the business is retaining jobs, the business shall
18 31 demonstrate that the jobs retained will pay at least one
18 32 hundred percent of the qualifying wage threshold throughout
18 33 both the project completion period and the maintenance period.

18 34 b. The business shall provide a sufficient package of
18 35 benefits to each employee holding a created or retained job.
19 1 The board, at the recommendation of the department, shall
19 2 adopt rules determining what constitutes a sufficient package
19 3 of benefits.

19 4 c. The business shall demonstrate that the jobs created or
19 5 retained will have a sufficient impact on state and local
19 6 government revenues as determined by the department after
19 7 calculating the fiscal impact ratio of the project.

19 8 d. The business shall not be a retail business or a
19 9 business where entrance is limited by a cover charge or
19 10 membership requirement.

19 11 6. ENTREPRENEURIAL COMPONENT.

19 12 a. In order to qualify for financial assistance under the
19 13 entrepreneurial component of the program, a business shall
19 14 meet all of the following requirements:

19 15 (1) The business shall be an early-stage business. For
19 16 purposes of this subparagraph, "early-stage business" means a
19 17 business that has been competing in a particular industry for
19 18 three years or less.

19 19 (2) The business shall have consulted with and obtained a
19 20 letter of endorsement from either a business accelerator
19 21 approved by the department or from an entrepreneurial
19 22 development organization recognized by the department.

19 23 b. Notwithstanding subsection 1, paragraph "d",
19 24 subparagraph (5), a business applying for financial assistance
19 25 under the entrepreneurial component is eligible for financial
19 26 assistance regardless of whether the business has received
19 27 matching funds from a city or county.

19 28 c. In awarding financial assistance under the
19 29 entrepreneurial component of the program, the department and
19 30 the board shall give priority to businesses in those sectors
19 31 of the Iowa economy with the greatest potential for growth and
19 32 expansion. Sectors having such potential include but are not
19 33 limited to biotechnology, recyclable materials, software
19 34 development, computer-related products, advanced materials,
19 35 advanced manufacturing, and medical and surgical instruments.

20 1 7. INFRASTRUCTURE COMPONENT. In order to qualify for
20 2 financial assistance under the infrastructure component of the
20 3 program, a business or community shall be engaged in a
20 4 physical infrastructure project. For purposes of this
20 5 subsection, "physical infrastructure project" means a project
20 6 that creates necessary infrastructure for economic success
20 7 throughout Iowa, provides the foundation for the creation of
20 8 jobs, and that involves the investment of a substantial amount
20 9 of capital. Physical infrastructure projects include but are
20 10 not limited to projects involving any mode of transportation;
20 11 public works and utilities such as sewer, water, power, or
20 12 telecommunications; physical improvements that mitigate,
20 13 prevent, or eliminate environmental contamination; and other
20 14 similar projects deemed to be physical infrastructure by the
20 15 department.

20 16 8. VALUE-ADDED AGRICULTURE COMPONENT.

20 17 a. In order to qualify for financial assistance under the
20 18 value-added agriculture component of the program, a business
20 19 shall be a production facility engaged in the process of
20 20 adding value to agricultural products. Projects considered
20 21 eligible under this subsection include but are not limited to
20 22 innovative agricultural products and processes, innovative and
20 23 new renewable fuels, agricultural biotechnology, biomass and
20 24 alternative energy production, and organic products and
20 25 emerging markets. Financial assistance is available for
20 26 project development as well as project creation.

20 27 b. The board and the department shall not award financial
20 28 assistance under the value-added agriculture component in an
20 29 amount exceeding fifty percent of the total capital investment
20 30 in a project.

20 31 c. Notwithstanding subsection 1, paragraph "d",
20 32 subparagraph (5), a business applying for financial assistance
20 33 under the value-added agriculture component is eligible for

20 34 financial assistance regardless of whether the business has
20 35 received matching funds from a city or county.

21 1 9. DISASTER RECOVERY COMPONENT. In order to qualify for
21 2 financial assistance under the disaster recovery component of
21 3 the program, a business shall meet all of the following
21 4 conditions:

21 5 a. The business is located in an area declared a disaster
21 6 area by a federal official.

21 7 b. The business has sustained substantial physical damage
21 8 and has closed as the result of a natural disaster.

21 9 c. The business has a plan for reopening that includes
21 10 employing a sufficient number of the employees the business
21 11 employed before the natural disaster occurred. The department
21 12 shall adopt rules governing the number of employees that is
21 13 sufficient under this paragraph.

21 14 d. The business will pay wages at the same level after
21 15 reopening as the business paid before the natural disaster
21 16 occurred.

21 17 Sec. 4. NEW SECTION. 15G.113 OPPORTUNITIES AND THREATS.

21 18 1. The department, with the approval of the board, may
21 19 award financial assistance from the fund to a business, an
21 20 individual, a development corporation, a nonprofit
21 21 organization, or a political subdivision of this state if, in
21 22 the opinion of the department, a project presents a unique
21 23 opportunity for economic development in this state, or if the
21 24 project addresses a situation constituting a threat to the
21 25 continued economic prosperity of this state.

21 26 2. The board shall adopt rules governing the eligibility
21 27 of projects for financial assistance pursuant to this section.

21 28 Sec. 5. NEW SECTION. 15G.114 RULES.

21 29 1. The board, upon the recommendation of the department,
21 30 shall adopt rules for the administration of this chapter in
21 31 accordance with chapter 17A.

21 32 2. To the extent necessary, the rules shall provide for
21 33 the inclusion of uniform terms and obligations in agreements
21 34 between the department and the recipients of financial
21 35 assistance under the grow Iowa values financial assistance
22 1 program, the high quality jobs program, and the enterprise
22 2 zone program. For purposes of this section, "terms and
22 3 obligations" includes but is not limited to the created or
22 4 retained jobs, qualifying wage thresholds, project completion
22 5 dates, project completion periods, maintenance periods, and
22 6 maintenance period completion dates that are applicable to the
22 7 grow Iowa values financial assistance program, the high
22 8 quality job creation program, and the enterprise zone program.

22 9 Sec. 6. NEW SECTION. 15G.115 APPLICATIONS == ADVISORY
22 10 BODY RECOMMENDATIONS == FINAL BOARD ACTIONS.

22 11 1. The department shall accept and process applications
22 12 for financial assistance under the grow Iowa values financial
22 13 assistance program. After processing the applications, the
22 14 department shall prepare them for review by advisory
22 15 committees and for final action by the board as described in
22 16 this section.

22 17 2. a. Each application from a business for financial
22 18 assistance under the grow Iowa values financial assistance
22 19 program shall be reviewed by the due diligence committee
22 20 established by the board pursuant to section 15.103,
22 21 subsection 6. The due diligence committee shall make a
22 22 recommendation on each application to the board.

22 23 b. Each application from a business for financial
22 24 assistance under the value-added agriculture component of the
22 25 grow Iowa values financial assistance program shall be
22 26 reviewed by the agricultural products advisory council
22 27 established in section 15.203, which shall make a
22 28 recommendation on each application to the board.

22 29 3. In overseeing the administration of the grow Iowa
22 30 values fund and grow Iowa values financial assistance program
22 31 pursuant to this chapter, the board shall do all of the
22 32 following:

22 33 a. At the first scheduled meeting of the board after the
22 34 start of a new fiscal year, take final action on all of the
22 35 following:

23 1 (1) The department's recommendations for the annual fiscal
23 2 year allocation of moneys in the fund, as provided in section
23 3 15G.111, subsection 4. The board may adjust the allocation of
23 4 moneys during the fiscal year as necessary.

23 5 (2) The department's recommendations for the allocation of
23 6 moneys among the program components referred to in section
23 7 15G.112, subsection 1, paragraph "b". The board may adjust
23 8 the allocation of moneys during the fiscal year as necessary.

23 9 b. Consider the recommendation of the due diligence

23 10 committee and the agricultural products advisory council on
23 11 each application for financial assistance, as described in
23 12 subsection 2, and take final action on each application.
23 13 c. Take final action on the required plans for proposed
23 14 expenditures submitted by the entities receiving moneys
23 15 allocated under section 15G.111, subsections 5 through 8.
23 16 d. Take final action on any rules recommended by the
23 17 department for the implementation of the provisions of this
23 18 chapter.

23 19 Sec. 7. Section 260G.6, Code 2009, is amended to read as
23 20 follows:

23 21 260G.6 ~~PROGRAM CAPITAL FUNDS ALLOCATION~~ FUND ESTABLISHED
23 22 == ALLOCATION OF MONEYS.

23 23 1. An accelerated career education fund is established in
23 24 the state treasury under the control of the department of
23 25 economic development consisting of moneys appropriated to the
23 26 department for purposes of funding the cost of accelerated
23 27 career education program capital projects.

23 28 2. Projects funded pursuant to this section shall be for
23 29 vertical infrastructure as defined in section 8.57, subsection
23 30 6, paragraph "c".

23 31 3. If moneys are appropriated by the general assembly to
23 32 support program capital costs, the moneys shall be allocated
23 33 according to rules adopted by the department of economic
23 34 development pursuant to chapter 17A.

23 35 4. In order to receive ~~such~~ moneys pursuant to this
24 1 section, a program agreement approved by the community college
24 2 board of directors ~~must~~ shall be in place, program capital
24 3 cost requests shall be approved by the Iowa economic
24 4 development board created in section 15.103, program capital
24 5 cost requests shall be approved or denied not later than sixty
24 6 days following receipt of the request by the department of
24 7 economic development, and employer contributions toward
24 8 program capital costs shall be certified and agreed to in the
24 9 agreement.

24 10 Sec. 8. Sections 15.315 through 15.325, 15.338, 15.339,
24 11 15E.111, 15E.112, 15E.175, 15E.221 through 15E.227, and
24 12 15G.108, Code 2009, are repealed.

24 13 Sec. 9. FUND AND ACCOUNT BALANCE TRANSFERS.

24 14 1. Notwithstanding any provision of law to the contrary,
24 15 effective July 1, 2009, the unencumbered or unobligated
24 16 balance remaining in any of the funds or accounts associated
24 17 with the following programs on June 30, 2009, shall be
24 18 transferred to the grow Iowa values fund established in
24 19 section 15G.112:

24 20 a. The community economic betterment program established
24 21 pursuant to section 15.317.

24 22 b. The entrepreneurial ventures assistance program
24 23 established pursuant to section 15.339.

24 24 c. The value-added agricultural products and processes
24 25 financial assistance program established pursuant to section
24 26 15E.111.

24 27 d. The physical infrastructure financial assistance
24 28 program established pursuant to section 15E.175.

24 29 e. The loan and credit guarantee program established
24 30 pursuant to section 15E.224.

24 31 2. If any moneys in the loan and credit guarantee fund
24 32 established pursuant to section 15E.227 are obligated or
24 33 encumbered at the close of the fiscal year ending June 30,
24 34 2009, but subsequently become unencumbered or otherwise cease
24 35 to be obligated, such moneys shall be transferred to the grow
25 1 Iowa values fund established in section 15G.112 as soon as
25 2 practicable.

25 3 3. Effective July 1, 2009, all unencumbered and
25 4 unobligated moneys appropriated to the department of economic
25 5 development pursuant to 2008 Iowa Acts, chapter 1179, section
25 6 1, subsection 5, and 2008 Iowa Acts, chapter 1179, section 9,
25 7 subsection 2, shall be transferred to the accelerated career
25 8 education fund established in section 260G.6, subsection 1.

25 9 DIVISION II

25 10 HIGH QUALITY JOBS PROGRAM

25 11 Sec. 10. Section 15.326, Code 2009, is amended to read as
25 12 follows:

25 13 15.326 SHORT TITLE.

25 14 This part shall be known and may be cited as the "High
25 15 Quality Job Creation Act" Jobs Program.

25 16 Sec. 11. Section 15.327, Code 2009, is amended to read as
25 17 follows:

25 18 15.327 DEFINITIONS.

25 19 As used in this part, unless the context otherwise
25 20 requires:

25 21 1. "Benefit" has the same meaning as defined in section
25 22 15G.108A.

25 23 ~~1- 2. "Community" means a city, county, or entity~~
25 24 ~~established pursuant to chapter 28E.~~

25 25 ~~2- 3. "Contractor or subcontractor" means a person who~~
25 26 ~~contracts with the eligible business or subcontracts with a~~
25 27 ~~contractor for the provision of property, materials, or~~
25 28 ~~services for the construction or equipping of a facility of~~
25 29 ~~the eligible business.~~

25 30 4. "Created job" has the same meaning as defined in
25 31 section 15G.108A.

25 32 ~~3- 5. "Department" means the Iowa department of economic~~
25 33 ~~development.~~

25 34 ~~4- 6. "Eligible business" means a business meeting the~~
25 35 ~~conditions of section 15.329.~~

26 1 7. "Fiscal impact ratio" has the same meaning as defined
26 2 in section 15G.108A.

26 3 8. "Maintenance period completion date" has the same
26 4 meaning as defined in section 15G.108A.

26 5 ~~5- 9. "Program" means the high quality job creation jobs~~
26 6 ~~program.~~

26 7 ~~6- 10. "Project completion" means the first date upon~~
26 8 ~~which the average annualized production of finished product~~
26 9 ~~for the preceding ninety-day period at the manufacturing~~
26 10 ~~facility operated by the eligible business is at least fifty~~
26 11 ~~percent of the initial design capacity of the facility. The~~
26 12 ~~eligible business shall inform the department of revenue in~~
26 13 ~~writing within two weeks of project completion date" has the~~
26 14 ~~same meaning as defined in section 15G.108A.~~

26 15 ~~7- 11. "Qualifying investment" means a capital investment~~
26 16 ~~in real property including the purchase price of land and~~
26 17 ~~existing buildings and structures, site preparation,~~
26 18 ~~improvements to the real property, building construction, and~~
26 19 ~~long-term lease costs. "Qualifying investment" also means a~~
26 20 ~~capital investment in depreciable assets.~~

26 21 12. "Qualifying wage threshold" has the same meaning as
26 22 defined in section 15G.108A.

26 23 13. "Retained job" has the same meaning as defined in
26 24 section 15G.108A.

26 25 Sec. 12. Section 15.329, subsections 1, 2, and 5, Code
26 26 2009, are amended to read as follows:

26 27 1. To be eligible to receive incentives under this part, a
26 28 business shall meet all of the following requirements:

26 29 a. If the qualifying investment is ten million dollars or
26 30 more, the community has approved by ordinance or resolution
26 31 the start-up, location, or expansion of the business for the
26 32 purpose of receiving the benefits of this part.

26 33 b. The business has not closed or substantially reduced
26 34 ~~its operation~~ operations in one area of ~~the this~~ state and
26 35 ~~relocated substantially the same operation operations in the a~~
27 1 ~~community in another area of this state. This subsection does~~
27 2 ~~paragraph shall not be construed to prohibit a business from~~
27 3 ~~expanding its operation in the a community if existing~~
27 4 ~~operations of a similar nature in the this state are not~~
27 5 ~~closed or substantially reduced.~~

27 6 ~~c. The business is not a retail or service business.~~

27 7 2. In addition to the requirements of subsection 1, a
27 8 business shall do at least four of the following in order to
27 9 ~~be eligible for incentives under the program:~~

27 10 a. Offer a pension or profit-sharing plan to full-time
27 11 employees.

27 12 b. (1) ~~Produce or manufacture high value-added goods or~~
27 13 ~~services or be engaged in one of the following industries:~~

27 14 (a) ~~Value-added agricultural products.~~

27 15 (b) ~~Insurance and financial services.~~

27 16 (c) ~~Plastics.~~

27 17 (d) ~~Metals.~~

27 18 (e) ~~Printing paper or packaging products.~~

27 19 (f) ~~Drugs and pharmaceuticals.~~

27 20 (g) ~~Software development.~~

27 21 (h) ~~Instruments and measuring devices and medical~~
27 22 ~~instruments.~~

27 23 (i) ~~Recycling and waste management.~~

27 24 (j) ~~Telecommunications.~~

27 25 (k) ~~Trucking and warehousing.~~

27 26 (2) ~~Retail and service businesses shall not be eligible~~
27 27 ~~for benefits under this part.~~

27 28 c. ~~Provide and pay at least eighty percent of the cost of~~
27 29 ~~a standard medical and dental insurance plan for all full-time~~
27 30 ~~employees working at the facility in which the new investment~~
27 31 ~~occurred.~~

27 32 ~~d. Make child care services available to its employees.~~
27 33 ~~e. Invest annually no less than one percent of pretax~~
27 34 ~~profits, from the facility located to Iowa or expanded under~~
27 35 ~~the program, in research and development in Iowa.~~
28 1 ~~f. Invest annually no less than one percent of pretax~~
28 2 ~~profits, from the facility located to Iowa or expanded under~~
28 3 ~~the program, in worker training and skills enhancement.~~
28 4 ~~g. Have an active productivity and safety improvement~~
28 5 ~~program involving management and worker participation and~~
28 6 ~~cooperation with benchmarks for gauging compliance.~~
28 7 ~~h. Occupy an existing facility, at least one of the~~
28 8 ~~buildings of which shall be vacant and shall contain at least~~
28 9 ~~twenty thousand square feet.~~

28 10 c. The business shall create or retain jobs as part of a
28 11 project, and the jobs created or retained shall meet one of
28 12 the following qualifying wage thresholds:

28 13 (1) If the business is creating jobs, the business shall
28 14 demonstrate that the jobs will pay at least ninety percent of
28 15 the qualifying wage threshold at the start of the project
28 16 completion period, at least one hundred thirty percent of the
28 17 qualifying wage threshold by the project completion date, and
28 18 at least one hundred thirty percent of the qualifying wage
28 19 threshold until the maintenance period completion date.

28 20 (2) If the business is retaining jobs, the business shall
28 21 demonstrate that the jobs retained will pay at least one
28 22 hundred thirty percent of the qualifying wage threshold
28 23 throughout both the project completion period and the
28 24 maintenance period.

28 25 d. The business shall provide a sufficient package of
28 26 benefits to each employee holding a created or retained job.
28 27 The board, at the recommendation of the department, shall
28 28 adopt rules determining what constitutes a sufficient package
28 29 of benefits.

28 30 e. The business shall demonstrate that the jobs created or
28 31 retained will have a sufficient impact on state and local
28 32 government revenues as determined by the department after
28 33 calculating the fiscal impact ratio of the project.

28 34 f. The business shall not be a retail business or a
28 35 business where entrance is limited by a cover charge or
29 1 membership requirement.

29 2 g. Notwithstanding the qualifying wage threshold
29 3 requirements in paragraph "c", if a business is also the
29 4 recipient of financial assistance under another program
29 5 administered by the department, and the other program requires
29 6 the payment of higher wages than the wages required under this
29 7 subsection, the business shall be required to pay the higher
29 8 wages.

29 9 2. A business providing a sufficient package of benefits
29 10 to each employee holding a created or retained job shall
29 11 qualify for a credit against the qualifying wage threshold
29 12 requirements described in subsection 1, paragraph "c". The
29 13 credit shall be calculated in the manner described in section
29 14 15G.112, subsection 4, paragraph "b".

29 15 5. The department shall also consider a variety of
29 16 factors, including but not limited to the following in
29 17 determining the eligibility of a business to participate in
29 18 the program:

29 19 a. The quality of the jobs to be created or retained. In
29 20 rating the quality of the jobs, the department shall place
29 21 greater emphasis on those jobs that have a higher wage scale,
29 22 have a lower turnover rate, are full-time or career-type
29 23 positions, provide comprehensive health benefits, or have
29 24 other related factors which could be considered to be higher
29 25 in quality, than to other jobs. Businesses that have wage
29 26 scales substantially below that of existing Iowa businesses in
29 27 that area should be rated as providing the lowest quality of
29 28 jobs and should therefore be given the lowest ranking for
29 29 providing such assistance.

29 30 b. The impact of the proposed project on other businesses
29 31 in competition with the business being considered for
29 32 assistance. The department shall make a good faith effort to
29 33 identify existing Iowa businesses within an industry in
29 34 competition with the business being considered for assistance.
29 35 The department shall make a good faith effort to determine the
30 1 probability that the proposed financial assistance will
30 2 displace employees of the existing businesses. In determining
30 3 the impact on businesses in competition with the business
30 4 being considered for assistance, jobs created or retained as a
30 5 result of other jobs being displaced elsewhere in the state
30 6 shall not be considered direct jobs created or retained.

30 7 c. The economic impact to the this state of the proposed

30 8 project. In measuring the economic impact, the department
30 9 shall place greater emphasis on projects which ~~have greater~~
~~30 10 consistency with the state strategic plan than other projects.~~
~~30 11 Greater consistency may include any or all of demonstrate the~~
30 12 following:
30 13 (1) A business with a greater percentage of sales
30 14 out-of-state or of import substitution.
30 15 (2) A business with a higher proportion of in-state
30 16 suppliers.
30 17 (3) A project which would provide greater diversification
30 18 of the state economy.
30 19 (4) A business with fewer in-state competitors.
30 20 (5) A potential for future job growth.
30 21 (6) A project which is not a retail operation.
30 22 ~~d. If a business has, within three years of application~~
~~30 23 for assistance, acquired or merged with an Iowa corporation or~~
~~30 24 company and the business has made a good faith effort to hire~~
~~30 25 the workers of the acquired or merged company.~~
30 26 ~~e. Whether a business provides for a preference for hiring~~
~~30 27 residents of the state, except for out-of-state employees~~
~~30 28 offered a transfer to Iowa.~~
30 29 ~~f. Whether all known required environmental permits have~~
~~30 30 been issued and regulations met before moneys are released.~~
30 31 Sec. 13. Section 15.330, subsection 4, Code 2009, is
30 32 amended to read as follows:
30 33 4. ~~A business creating fifteen or fewer new high quality~~
~~30 34 jobs shall have up to three years to complete a project and~~
~~30 35 shall be required to maintain the jobs for an additional two~~
~~31 1 years. A business creating sixteen or more new high quality~~
~~31 2 jobs shall have up to five years to complete a project and~~
~~31 3 shall be required to maintain the jobs for an additional two~~
~~31 4 years. A project completion date, a maintenance period~~
~~31 5 completion date, the number of jobs to be created or retained,~~
~~31 6 or certain other terms and obligations described in section~~
~~31 7 15G.112, subsection 1, paragraph "d", as the department deems~~
~~31 8 necessary in order to make the requirements in project~~
~~31 9 agreements uniform. The department, with the approval of the~~
~~31 10 board, may adopt rules as necessary for making such~~
~~31 11 requirements uniform. Such rules shall be in compliance with~~
~~31 12 the provisions of this part and with the provisions of chapter~~
~~31 13 15G.~~
31 14 Sec. 14. Section 15.331A, subsection 2, Code 2009, is
31 15 amended by adding the following new paragraph:
31 16 NEW PARAGRAPH. c. The eligible business shall inform the
31 17 department of revenue in writing within two weeks of project
31 18 completion. For purposes of this section, "project
31 19 completion" means the first date upon which the average
31 20 annualized production of finished product for the preceding
31 21 ninety-day period at the manufacturing facility operated by
31 22 the eligible business is at least fifty percent of the initial
31 23 design capacity of the facility.
31 24 Sec. 15. Section 15.333, subsection 1, unnumbered
31 25 paragraph 1, Code 2009, is amended to read as follows:
31 26 An eligible business may claim a tax credit equal to a
31 27 percentage of the new investment directly related to new jobs
31 28 created or retained by the location or expansion of an
31 29 eligible business under the program. The tax credit shall be
31 30 amortized equally over five calendar years. The tax credit
31 31 shall be allowed against taxes imposed under chapter 422,
31 32 division II, III, or V, and against the moneys and credits tax
31 33 imposed in section 533.329. If the business is a partnership,
31 34 S corporation, limited liability company, cooperative
31 35 organized under chapter 501 and filing as a partnership for
32 1 federal tax purposes, or estate or trust electing to have the
32 2 income taxed directly to the individual, an individual may
32 3 claim the tax credit allowed. The amount claimed by the
32 4 individual shall be based upon the pro rata share of the
32 5 individual's earnings of the partnership, S corporation,
32 6 limited liability company, cooperative organized under chapter
32 7 501 and filing as a partnership for federal tax purposes, or
32 8 estate or trust. The percentage shall be determined as
32 9 provided in section 15.335A. Any tax credit in excess of the
32 10 tax liability for the tax year may be credited to the tax
32 11 liability for the following seven years or until depleted,
32 12 whichever occurs first.
32 13 Sec. 16. Section 15.335A, Code 2009, is amended to read as
32 14 follows:
32 15 15.335A TAX INCENTIVES.
32 16 1. Tax incentives are available to eligible businesses as
32 17 provided in this section. The incentives are based upon the
32 18 number of new high quality jobs created or retained that pay

~~32 19 at least one hundred thirty percent of the qualifying wage~~
~~32 20 threshold as computed pursuant to section 15G.112, subsection~~
~~32 21 4, and the amount of the qualifying investment made according~~
~~32 22 to the following schedule:~~

~~32 23 a. The number of new high quality jobs created with an~~
~~32 24 annual wage, including benefits, equal to or greater than one~~
~~32 25 hundred thirty percent of the average county wage is one of~~
~~32 26 the following:~~

~~32 27 (1) a. The number of jobs is zero and economic activity~~
~~32 28 is furthered by the qualifying investment and the amount of~~
~~32 29 the qualifying investment is one of the following:~~

~~32 30 (a) (1) Less than one hundred thousand dollars, then the~~
~~32 31 tax incentive is the investment tax credit of up to one~~
~~32 32 percent.~~

~~32 33 (b) (2) At least one hundred thousand dollars but less~~
~~32 34 than five hundred thousand dollars, then the tax incentives~~
~~32 35 are the investment tax credit of up to one percent and the~~
~~33 1 sales tax refund.~~

~~33 2 (c) (3) At least five hundred thousand dollars, then the~~
~~33 3 tax incentives are the investment tax credit of up to one~~
~~33 4 percent, the sales tax refund, and the additional research and~~
~~33 5 development tax credit.~~

~~33 6 (2) b. The number of jobs is one but not more than five~~
~~33 7 and the amount of the qualifying investment is one of the~~
~~33 8 following:~~

~~33 9 (a) (1) Less than one hundred thousand dollars, then the~~
~~33 10 tax incentive is the investment tax credit of up to two~~
~~33 11 percent.~~

~~33 12 (b) (2) At least one hundred thousand dollars but less~~
~~33 13 than five hundred thousand dollars, then the tax incentives~~
~~33 14 are the investment tax credit of up to two percent and the~~
~~33 15 sales tax refund.~~

~~33 16 (c) (3) At least five hundred thousand dollars, then the~~
~~33 17 tax incentives are the investment tax credit of up to two~~
~~33 18 percent, the sales tax refund, and the additional research and~~
~~33 19 development tax credit.~~

~~33 20 (3) c. The number of jobs is six but not more than ten~~
~~33 21 and the amount of the qualifying investment is one of the~~
~~33 22 following:~~

~~33 23 (a) (1) Less than one hundred thousand dollars, then the~~
~~33 24 tax incentive is the investment tax credit of up to three~~
~~33 25 percent.~~

~~33 26 (b) (2) At least one hundred thousand dollars but less~~
~~33 27 than five hundred thousand dollars, then the tax incentives~~
~~33 28 are the investment tax credit of up to three percent and the~~
~~33 29 sales tax refund.~~

~~33 30 (c) (3) At least five hundred thousand dollars, then the~~
~~33 31 tax incentives are the investment tax credit of up to three~~
~~33 32 percent, the sales tax refund, and the additional research and~~
~~33 33 development tax credit.~~

~~33 34 (4) d. The number of jobs is eleven but not more than~~
~~33 35 fifteen and the amount of the qualifying investment is one of~~
~~34 1 the following:~~

~~34 2 (a) (1) Less than one hundred thousand dollars, then the~~
~~34 3 tax incentive is the investment tax credit of up to four~~
~~34 4 percent.~~

~~34 5 (b) (2) At least one hundred thousand dollars but less~~
~~34 6 than five hundred thousand dollars, then the tax incentives~~
~~34 7 are the investment tax credit of up to four percent and the~~
~~34 8 sales tax refund.~~

~~34 9 (c) (3) At least five hundred thousand dollars, then the~~
~~34 10 tax incentives are the investment tax credit of up to four~~
~~34 11 percent, the sales tax refund, and the additional research and~~
~~34 12 development tax credit.~~

~~34 13 (5) e. The number of jobs is sixteen ~~or~~ but not more than~~
~~34 14 thirty and the amount of the qualifying investment is one of~~
~~34 15 the following:~~

~~34 16 (a) (1) Less than one hundred thousand dollars, then the~~
~~34 17 tax incentive is the investment tax credit of up to five~~
~~34 18 percent.~~

~~34 19 (b) (2) At least one hundred thousand dollars but less~~
~~34 20 than five hundred thousand dollars, then the tax incentives~~
~~34 21 are the investment tax credit of up to five percent and the~~
~~34 22 sales tax refund.~~

~~34 23 (c) (3) At least five hundred thousand dollars, then the~~
~~34 24 tax incentives are the investment tax credit of up to five~~
~~34 25 percent, the sales tax refund, and the additional research and~~
~~34 26 development tax credit.~~

~~34 27 b. In lieu of paragraph "a", the number of new high~~
~~34 28 quality jobs created with an annual wage, including benefits,~~
~~34 29 equal to or greater than one hundred sixty percent of the~~

~~34 30 average county wage is one of the following:~~

~~34 31 (1) f. The number of jobs is ~~twenty-one~~ thirty-one but~~
~~34 32 not more than ~~thirty~~ forty and the amount of the qualifying~~
~~34 33 investment is at least ten million dollars, then the tax~~
~~34 34 incentives are the local property tax exemption, the~~
~~34 35 investment tax credit of up to six percent, the sales tax~~
~~35 1 refund, and the additional research and development tax~~
~~35 2 credit.~~

~~35 3 (2) g. The number of jobs is ~~thirty-one~~ forty-one but not~~
~~35 4 more than ~~forty~~ sixty and the amount of the qualifying~~
~~35 5 investment is at least ten million dollars, then the tax~~
~~35 6 incentives are the local property tax exemption, the~~
~~35 7 investment tax credit of up to seven percent, the sales tax~~
~~35 8 refund, and the additional research and development tax~~
~~35 9 credit.~~

~~35 10 (3) h. The number of jobs is ~~forty-one~~ sixty-one but not~~
~~35 11 more than ~~fifty~~ eighty and the amount of the qualifying~~
~~35 12 investment is at least ten million dollars, then the tax~~
~~35 13 incentives are the local property tax exemption, the~~
~~35 14 investment tax credit of up to eight percent, the sales tax~~
~~35 15 refund, and the additional research and development tax~~
~~35 16 credit.~~

~~35 17 (4) i. The number of jobs is ~~fifty-one~~ eighty-one but not~~
~~35 18 more than ~~sixty~~ one hundred and the amount of the qualifying~~
~~35 19 investment is at least ten million dollars, then the tax~~
~~35 20 incentives are the local property tax exemption, the~~
~~35 21 investment tax credit of up to nine percent, the sales tax~~
~~35 22 refund, and the additional research and development tax~~
~~35 23 credit.~~

~~35 24 (5) j. The number of jobs is at least ~~sixty-one~~ one~~
~~35 25 hundred one and the amount of the qualifying investment is at~~
~~35 26 least ten million dollars, then the tax incentives are the~~
~~35 27 local property tax exemption, the investment tax credit of up~~
~~35 28 to ten percent, the sales tax refund, and the additional~~
~~35 29 research and development tax credit.~~

~~35 30 2. For purposes of this section:~~

~~35 31 a. "Additional research and development tax credit" means~~
~~35 32 the research activities credit as provided under section~~
~~35 33 15.335.~~

~~35 34 b. "Average county wage" means the annualized, average~~
~~35 35 hourly wage based on wage information compiled by the~~
~~36 1 department of workforce development.~~

~~36 2 c. "Benefits" means all of the following:~~

~~36 3 (1) Medical and dental insurance plans. If an employer~~
~~36 4 offers medical insurance under both single and family coverage~~
~~36 5 plans, the employer shall be given credit for providing~~
~~36 6 medical insurance under family coverage plans to all new~~
~~36 7 employees.~~

~~36 8 (2) Pension and profit-sharing plans.~~

~~36 9 (3) Child care services.~~

~~36 10 (4) Life insurance coverage.~~

~~36 11 (5) Other benefits identified by rule of the department of~~
~~36 12 revenue.~~

~~36 13 b. "Benefits" means the same as defined in section~~
~~36 14 15G.108A.~~

~~36 15 c. "County wage" means the same as defined in section~~
~~36 16 15G.108A.~~

~~36 17 d. "Investment tax credit" means the investment tax credit~~
~~36 18 or the insurance premium tax credit as provided under section~~
~~36 19 15.333 or 15.333A, respectively.~~

~~36 20 e. "Local property tax exemption" means the property tax~~
~~36 21 exemption as provided under section 15.332.~~

~~36 22 f. "Qualifying wage threshold" means the same as defined~~
~~36 23 in section 15G.108A.~~

~~36 24 g. "Regional wage" means the same as defined in section~~
~~36 25 15G.108A.~~

~~36 26 f. h. "Sales tax refund" means the sales and use tax~~
~~36 27 refund as provided under section 15.331A or the corporate tax~~
~~36 28 credit for certain sales taxes paid by third-party developers~~
~~36 29 as provided under section 15.331C.~~

~~36 30 3. A community may apply to the Iowa economic development~~
~~36 31 board for a project-specific waiver from the average county~~
~~36 32 wage calculations qualifying wage threshold requirement~~

~~36 33 provided in subsection 1 in order for an eligible business to~~
~~36 34 receive to seek tax incentives for an eligible business. The~~

~~36 35 board may grant a project-specific waiver from the average~~
~~37 1 county wage calculations qualifying wage threshold requirement~~

~~37 2 in subsection 1 for the remainder of the a calendar year,~~
~~37 3 based on average county wage or regional wage calculations~~

~~37 4 brought forth by the applicant county including, but not~~
~~37 5 limited to, any of the following:~~

- 37 6 a. The ~~average~~ county wage calculated without wage data
37 7 from the business in the county employing the greatest number
37 8 of full-time employees.
37 9 b. The ~~average~~ regional wage calculated without wage data
37 10 from up to two adjacent counties.
37 11 c. The ~~average~~ county wage calculated without wage data
37 12 from the largest city in the county.
37 13 d. A qualifying wage guideline for a specific project
37 14 based upon unusual economic circumstances present in the city
37 15 or county.
37 16 e. The annualized, average hourly wage paid by all
37 17 businesses in the county located outside the largest city of
37 18 the county.
37 19 f. The annualized, average hourly wage paid by all
37 20 businesses other than the largest employer in the entire
37 21 county.

~~37 22 4. Average wage calculations made under this section shall
37 23 be calculated quarterly using wage data submitted to the
37 24 department of workforce development during the previous four
37 25 quarters.~~

37 26 ~~5. 4.~~ Each calendar year, the department shall not
37 27 approve more than three million six hundred thousand dollars
37 28 worth of investment tax credits for projects with qualifying
37 29 investments of less than one million dollars.

37 30 ~~6. 5.~~ The department shall negotiate the amount of tax
37 31 incentives provided to an applicant under the program in
37 32 accordance with this section and section 15G.112, as
37 33 applicable.

37 34 DIVISION III

37 35 ENTERPRISE ZONES

38 1 Sec. 17. Section 15E.193, subsections 1 and 2, Code 2009,
38 2 are amended to read as follows:

38 3 1. A business which is or will be located, in whole or in
38 4 part, in an enterprise zone is eligible to receive incentives
38 5 and assistance under this division if the business has not
38 6 closed or reduced its operation in one area of the state and
38 7 relocated substantially the same operation into the enterprise
38 8 zone and if the business meets all of the following
38 9 requirements:

38 10 a. Is not a retail business or a business where entrance
38 11 is limited by a cover charge or membership requirement.

~~38 12 b. Provides all full-time employees with the option of
38 13 choosing one of the following:~~

~~38 14 (1) The business pays eighty percent of both of the
38 15 following:~~

~~38 16 (a) The cost of a standard medical insurance plan.~~

~~38 17 (b) The cost of a standard dental insurance plan or an
38 18 equivalent plan.~~

~~38 19 (2) The business provides the employee with a monetarily
38 20 equivalent plan to the plan provided for in subparagraph (1).~~

~~38 21 c. Pays an average wage that is at or greater than ninety
38 22 percent of the lesser of the average county wage or average
38 23 regional wage, as determined by the department. However, the
38 24 wage paid by the business shall not be less than seven dollars
38 25 and fifty cents per hour.~~

~~38 26 b. (1) The business shall provide a sufficient package of
38 27 benefits to each employee holding a created or retained job.~~

~~38 28 For purposes of this paragraph, "created job" and "retained
38 29 job" have the same meaning as defined in section 15G.108A.~~

~~38 30 (2) The board, upon the recommendation of the department,
38 31 shall adopt rules determining what constitutes a sufficient
38 32 package of benefits.~~

~~38 33 c. The business shall pay a wage that is at least ninety
38 34 percent of the qualifying wage threshold. For purposes of
38 35 this paragraph, "qualifying wage threshold" has the same
39 1 meaning as defined in section 15G.108A.~~

~~39 2 d. Creates or retains at least ten full-time equivalent
39 3 positions and maintains them for at least ten years. For an
39 4 existing business in counties with a population of ten
39 5 thousand or less or in cities with a population of two
39 6 thousand or less, the commission may adopt a provision that
39 7 allows the business to create at least five initial jobs with
39 8 the additional jobs to be added in five years. The business
39 9 shall include in its strategic plan the timeline for job
39 10 creation. If the existing business fails to meet the ten-job
39 11 creation requirement within the five-year period, all
39 12 incentives or assistance will cease immediately until the
39 13 maintenance period completion date. For purposes of this
39 14 paragraph, "maintenance period completion date" and "full-time
39 15 equivalent position" have the same meanings as defined in
39 16 section 15G.108A.~~

39 17 e. Makes a capital investment of at least five hundred
39 18 thousand dollars. ~~If the business will be occupying a vacant~~
~~39 19 building suitable for industrial use, the fair market value of~~
~~39 20 the building and land, not to exceed two hundred fifty~~
~~39 21 thousand dollars, shall be counted toward the capital~~
~~39 22 investment requirement. An existing business that has been~~
~~39 23 operating in the enterprise zone for at least five years is~~
~~39 24 exempt from the capital investment requirement of this~~
~~39 25 paragraph of up to two hundred fifty thousand dollars of the~~
~~39 26 fair market value, as established by an appraisal, of the~~
~~39 27 building and land.~~

39 28 f. If the business is only partially located in an
39 29 enterprise zone, the business must be located on contiguous
39 30 parcels of land.

39 31 2. In addition to meeting the requirements under
39 32 subsection 1, an eligible business shall provide the
39 33 enterprise zone commission with all of the following:

39 34 a. The long-term strategic plan for the business which
39 35 shall include labor and infrastructure needs.

40 1 b. Information dealing with the benefits the business will
40 2 bring to the area.

40 3 c. Examples of why the business should be considered or
40 4 would be considered a good business enterprise.

40 5 d. The impact the business will have on other businesses
40 6 in competition with it. The enterprise zone commission shall

40 7 make a good faith effort to identify existing Iowa businesses
40 8 within an industry in competition with the business being
40 9 considered for assistance. The enterprise zone commission
40 10 shall make a good faith effort to determine the probability
40 11 that the proposed financial assistance will displace employees
40 12 of the existing businesses. In determining the impact on
40 13 businesses in competition with the business being considered
40 14 for assistance, jobs created or retained as a result of other
40 15 jobs being displaced elsewhere in the state shall not be
40 16 considered direct jobs created or retained.

40 17 e. An affidavit that it has not, within the last five
40 18 years, violated state or federal environmental and worker
40 19 safety statutes, rules, and regulations or if such violation
40 20 has occurred that there were mitigating circumstances or such
40 21 violations did not seriously affect public health or safety or
40 22 the environment.

40 23 e. A report describing all violations of environmental law
40 24 or worker safety law within the last five years. If, upon
40 25 review of the application, the enterprise zone commission
40 26 finds that a business has a record of violations of the law,
40 27 statutes, rules, or regulations that tends to show a
40 28 consistent pattern, the enterprise zone commission shall not
40 29 make an award of financial assistance to the business unless
40 30 the board finds either that the violations did not seriously
40 31 affect public health, public safety, or the environment, or,
40 32 if such violations did seriously affect public health, public
40 33 safety, or the environment, that mitigating circumstances were
40 34 present.

DIVISION IV

CONFORMING AMENDMENTS

41 1 Sec. 18. Section 15.103, subsection 6, Code 2009, is
41 2 amended to read as follows:

41 3 6. As part of the organizational structure of the
41 4 department, the board shall establish a due diligence
41 5 committee and a loan and credit guarantee committee composed
41 6 of members of the board. The committees shall serve in an
41 7 advisory capacity to the board and shall carry out any duties
41 8 assigned by the board in relation to programs administered by
41 9 the department. The loan and credit guarantee committee shall
41 11 advise the board on the winding up of loan guarantees made
41 12 under the loan and credit guarantee program established
41 13 pursuant to section 15E.224, Code 2009, and on the proper
41 14 amount of the allocation described in section 15G.111,
41 15 subsection 4, paragraph "g".

41 16 Sec. 19. Section 15.104, Code 2009, is amended by adding
41 17 the following new subsection:

41 18 NEW SUBSECTION. 1. Perform duties related to the
41 19 administration of the grow Iowa values fund and grow Iowa
41 20 values financial assistance program as described in chapter
41 21 15G.

41 22 Sec. 20. Section 15.104, subsection 9, paragraphs a and b,
41 23 Code 2009, are amended to read as follows:

41 24 a. FINANCIAL ASSISTANCE PROGRAMS. Data on all assistance
41 25 provided to business finance projects under the community
41 26 economic betterment program established in section 15.317,
41 27 eligible businesses under the high quality job creation jobs

41 28 program described in section 15.326, and eligible facilities
41 29 under the value-added agricultural products and processes
41 30 financial assistance program established in section 15E.111.

41 31 b. PROJECTS FUNDED THROUGH THE GROW IOWA VALUES FUND
41 32 FINANCIAL ASSISTANCE PROGRAM ESTABLISHED IN SECTION 15G.112.

41 33 For each job creation or retention business finance project
41 34 receiving moneys from the grow Iowa values fund created in
41 35 section 15G.108, the following information:

42 1 (1) The net number of new jobs created as of June 30 of
42 2 the prior year. For the purposes of this subparagraph, "net
42 3 number of new jobs" is the number of new or retained jobs as
42 4 identified in the contract.

42 5 (2) The number of jobs created, as of June 30 of the prior
42 6 year, that are at or above the qualifying wage threshold for
42 7 the project. For the purposes of this subparagraph,
42 8 "qualifying wage threshold" means the wage that meets the
42 9 required percentage of the average county or average regional
42 10 wage for the programs or funding sources involved with the
42 11 project has the same meaning as defined in section 15G.108A.

42 12 (3) The number of retained jobs, as of June 30 of the
42 13 prior year. For the purposes of this subparagraph, "retained
42 14 jobs" means the number of retained jobs as identified in the
42 15 contract.

42 16 (4) The total amount expended by a business, as of June 30
42 17 of the prior year, toward the total project cost as identified
42 18 in the contract.

42 19 (5) The project's location.

42 20 (6) The amount, if any, of private and local matching
42 21 funds, as of June 30 of the prior year.

42 22 (7) The amount spent on research and development
42 23 activities, as of June 30 of the prior year.

42 24 Sec. 21. Section 15.104, subsection 9, paragraphs i and j,
42 25 Code 2009, are amended to read as follows:

42 26 i. GROW IOWA VALUES FUND EXPENDITURES. Detailed financial
42 27 data that delineate expenditures made under each component of
42 28 the grow Iowa values fund created in section ~~15G.108~~ 15G.111.

42 29 j. RENEWABLE FUEL PROGRAMS. A detailed accounting of
42 30 expenditures in support of renewable fuel infrastructure
42 31 programs, as provided in sections 15G.203 and 15G.204. The
42 32 renewable fuel infrastructure board established in section
42 33 15G.202 shall approve that portion of the department's annual
42 34 report regarding projects supported from the grow Iowa values
42 35 fund created in section ~~15G.108~~ 15G.111. This paragraph is
43 1 repealed on July 1, 2012.

43 2 Sec. 22. Section 15.116, Code 2009, is amended to read as
43 3 follows:

43 4 15.116 TECHNOLOGY COMMERCIALIZATION COMMITTEE.

43 5 To evaluate and approve funding for the projects and
43 6 programs under referred to in section 15G.111, subsection 2
43 7 10, the economic development board shall create a technology
43 8 commercialization committee composed of members with expertise
43 9 in the areas of biosciences, engineering, manufacturing,
43 10 pharmaceuticals, materials, information solutions, software,
43 11 and energy. At least one member of the technology
43 12 commercialization committee shall be a member of the economic
43 13 development board. An organization designated by the
43 14 department, composed of members from both the public and
43 15 private sectors and composed of subunits or subcommittees in
43 16 the areas of already identified bioscience platforms,
43 17 education and workforce development, commercialization,
43 18 communication, policy and governance, and finance, shall
43 19 provide funding recommendations to the technology
43 20 commercialization committee.

43 21 Sec. 23. Section 15.203, Code 2009, is amended by adding
43 22 the following new subsection:

43 23 NEW SUBSECTION. 5. The agricultural products advisory
43 24 council shall review applications for financial assistance
43 25 under the value-added agriculture component of the grow Iowa
43 26 values financial assistance program established in section
43 27 15G.112.

43 28 Sec. 24. Section 15.313, subsection 1, Code 2009, is
43 29 amended to read as follows:

43 30 1. a. An Iowa strategic investment fund is created as a
43 31 revolving fund consisting of any money appropriated by the
43 32 general assembly for that purpose and any other moneys
43 33 available to and obtained or accepted by the department from
43 34 the federal government or private sources for placement in the
43 35 fund. ~~The fund shall also include all of the following:~~

44 1 ~~(1) All unencumbered and unobligated funds from the
44 2 special community economic betterment program fund created
44 3 under 1990 Iowa Acts, chapter 1262, section 1, subsection 18,~~

~~44 4 remaining on June 30, 1992, all repayments of loans or other
44 5 awards made under the community economic betterment account or
44 6 under the community economic betterment program during any
44 7 fiscal year beginning on or after July 1, 1985, and recaptures
44 8 of awards.~~

~~44 9 (2) All unencumbered and unobligated funds from the
44 10 targeted small business financial assistance program, the
44 11 financing rural economic development or successor loan
44 12 program, and the value-added agricultural products and
44 13 processes financial assistance fund remaining on June 30,
44 14 1992, and all repayments of loans or other awards or
44 15 recaptures of awards made under these programs.~~

~~44 16 b. Notwithstanding section 8.33, moneys in the strategic
44 17 investment fund at the end of each fiscal year shall not
44 18 revert to any other fund but shall remain in the strategic
44 19 investment fund for expenditure for subsequent fiscal years.~~

~~44 20 Sec. 25. Section 15A.7, subsection 3, Code 2009, is
44 21 amended to read as follows:~~

~~44 22 3. That the employer shall agree to pay wages for the jobs
44 23 for which the credit is taken of at least the average county
44 24 wage or average the regional wage, as calculated by the
44 25 department pursuant to section 15G.112, subsection 3,~~

~~44 26 whichever is lower, as compiled annually by the department of
44 27 economic development for the community economic betterment
44 28 program. For the purposes of this section, the average
44 29 regional wage shall be compiled based upon the service
44 30 delivery areas in section 84B.2. Eligibility for the
44 31 supplemental credit shall be based on a one-time determination
44 32 of starting wages by the community college.~~

~~44 33 Sec. 26. Section 15E.120, subsection 5, Code 2009, is
44 34 amended to read as follows:~~

~~44 35 5. Loan repayments received by the Iowa department of
45 1 economic development shall be deposited into a special account
45 2 to be used at its discretion as matching funds to attract
45 3 financial assistance from and to participate in programs with
45 4 national rural development and finance corporations. Funds in
45 5 this special account shall not revert to the state general
45 6 fund at the end of any fiscal year. If the programs for which
45 7 the funds in the special account are to be used are terminated
45 8 or expire, the funds in the special account and funds that
45 9 would be repaid, if any, to the special account shall be
45 10 transferred or repaid to ~~the community economic betterment~~
45 11 ~~account of the strategic investment fund established in~~
45 12 ~~section 15.313.~~~~

~~45 13 Sec. 27. Section 15E.231, subsection 1, unnumbered
45 14 paragraph 1, Code 2009, is amended to read as follows:~~

~~45 15 In order for an economic development region to receive
45 16 moneys from under the grow Iowa values fund created financial
45 17 assistance program established in section ~~15G.108~~ 15G.112, an
45 18 economic development region's regional development plan must
45 19 be approved by the department. An economic development region
45 20 shall consist of not less than three counties, unless two
45 21 contiguous counties have a combined population of at least
45 22 three hundred thousand based on the most recent federal
45 23 decennial census. An economic development region shall
45 24 establish a focused economic development effort that shall
45 25 include a regional development plan relating to one or more of
45 26 the following areas:~~

~~45 27 Sec. 28. Section 15E.351, subsection 1, Code 2009, is
45 28 amended to read as follows:~~

~~45 29 1. The department shall establish and administer a
45 30 business accelerator program to provide financial assistance
45 31 for the establishment and operation of a business accelerator
45 32 for technology-based, value-added agricultural, information
45 33 solutions, alternative and renewable energy including the
45 34 alternative and renewable energy sectors listed in section
45 35 476.42, subsection 1, paragraph "a", or advanced manufacturing
46 1 start-up businesses or for a satellite of an existing business
46 2 accelerator. The program shall be designed to foster the
46 3 accelerated growth of new and existing businesses through the
46 4 provision of technical assistance. The department ~~shall use~~
46 5 ~~moneys appropriated to the department from the grow Iowa~~
46 6 ~~values fund pursuant to section 15G.111, subsection 1,~~ subject
46 7 to the approval of the economic development board, ~~to may~~
46 8 provide financial assistance under this section from moneys
46 9 allocated for regional financial assistance pursuant to
46 10 section 15G.111, subsection 9.~~

~~46 11 Sec. 29. Section 159A.6B, unnumbered paragraph 2, Code
46 12 2009, is amended to read as follows:~~

~~46 13 The office may execute contracts in order to provide
46 14 technical support and outreach services for purposes of~~

46 15 assisting and educating interested persons as provided in this
46 16 section. The office may also contract with a consultant to
46 17 provide part or all of these services. The office may require
46 18 that a person receiving assistance pursuant to this section
46 19 contribute up to fifty percent of the amount required to
46 20 support the costs of contracting with the consultant to
46 21 provide assistance to the person. The office shall assist the
46 22 person in completing any technical information required in
46 23 order to receive assistance by the department of economic
46 24 development pursuant to the value-added ~~agricultural products~~
~~46 25 and processes agriculture component of the grow Iowa values~~
46 26 financial assistance program ~~created~~ established pursuant to
46 27 section ~~15E.111~~ 15G.112. The office shall cooperate with the
46 28 department of economic development, the department of natural
46 29 resources, and regents institutions or other universities and
46 30 colleges ~~as provided in section 15E.111~~, in order to carry out
46 31 this section.

46 32 Sec. 30. Section 266.19, Code 2009, is amended to read as
46 33 follows:

46 34 266.19 RENEWABLE FUEL == ASSISTANCE.

46 35 The university shall cooperate in assisting renewable fuel
47 1 production facilities supporting livestock operations managed
47 2 by persons receiving assistance pursuant to the value-added
47 3 ~~agricultural products and processes agriculture component of~~
~~47 4 the grow Iowa values~~ financial assistance program established
47 5 in section ~~15E.111~~ 15G.112.

47 6 Sec. 31. Section 455B.104, subsection 2, Code 2009, is
47 7 amended to read as follows:

47 8 2. The department shall assist persons applying for
47 9 assistance to establish and operate renewable fuel production
47 10 facilities pursuant to the value-added ~~agricultural products~~
~~47 11 and processes agriculture component of the grow Iowa values~~
47 12 financial assistance program established in section ~~15E.111~~
47 13 15G.112.

47 14 Sec. 32. Section 455B.433, Code 2009, is amended to read
47 15 as follows:

47 16 455B.433 PHYSICAL INFRASTRUCTURE ASSISTANCE == FUNDING ==
47 17 LIABILITY.

47 18 1. The department of natural resources shall work in
47 19 conjunction with the Iowa department of economic development
47 20 to identify environmentally contaminated sites which qualify
47 21 for the ~~physical infrastructure assistance component of the~~
~~47 22 grow Iowa values financial assistance program under~~
47 23 established in section 15E.175 15G.112. The department shall
47 24 provide an assessment of the site and shall provide any
47 25 emergency response activities which the department deems
47 26 necessary. The department may take any further action,
47 27 including remediation of the site, that the department deems
47 28 to be appropriate and which promotes the purposes of the
47 29 ~~physical infrastructure assistance program component~~.

47 30 2. The department shall be reimbursed from the ~~physical~~
~~47 31 infrastructure assistance grow Iowa values fund under created~~
47 32 in section 15E.175 15G.111 for any costs incurred pursuant to
47 33 this section.

47 34 3. A person shall not have standing pursuant to section
47 35 455B.111 to commence a citizen suit which is based upon
48 1 property that is part of the ~~physical infrastructure~~
48 2 ~~assistance component of the grow Iowa values financial~~
48 3 ~~assistance program pursuant to established in section 15E.175~~
48 4 15G.112.

48 5 Sec. 33. CONDITIONAL ENACTMENTS.

48 6 1. If 2009 Iowa Acts, Senate File 142, is enacted, the
48 7 section of that Act amending section 15G.111 is repealed and
48 8 section 15G.111, subsection 10, as enacted in this Act, is
48 9 amended to read as follows:

48 10 10. COMMERCIALIZATION SERVICES. Of the moneys
48 11 appropriated to the department pursuant to subsection 3, the
48 12 department shall allocate three million dollars for ~~the~~
~~48 13 purpose of providing the commercialization services described~~
~~48 14 in section 15.411, subsections 2 and 3 deposit in the~~
48 15 innovation and commercialization development fund created in
48 16 section 15.412.

48 17 2. If 2009 Iowa Acts, Senate File 142, is enacted, section
48 18 15.116, as amended in this Act, is amended to read as follows:

48 19 15.116 TECHNOLOGY COMMERCIALIZATION COMMITTEE.

48 20 To evaluate and ~~approve~~ make recommendations to the board
48 21 on appropriate funding for the projects and programs ~~referred~~
~~48 22 to in section 15G.111, subsection 10 applying for financial~~
48 23 assistance from the innovation and commercialization
48 24 development fund created in section 15.412, the economic
48 25 development board shall create a technology commercialization

48 26 committee composed of members with expertise in the areas of
48 27 biosciences, engineering, manufacturing, pharmaceuticals,
48 28 materials, information solutions, software, and energy. At
48 29 least one member of the technology commercialization committee
48 30 shall be a member of the economic development board. An
48 31 organization designated by the department, composed of members
48 32 from both the public and private sectors and composed of
48 33 subunits or subcommittees in the areas of already identified
48 34 bioscience platforms, education and workforce development,
48 35 commercialization, communication, policy and governance, and
49 1 finance, shall provide funding recommendations to the
49 2 technology commercialization committee.

49 3 3. If 2009 Iowa Acts, Senate File 142, is enacted, section
49 4 15G.115, subsection 2, as enacted in this Act, is amended by
49 5 adding the following new paragraph:

49 6 NEW PARAGRAPH. c. Each application for financial
49 7 assistance from funds allocated by the department for deposit
49 8 in the innovation and commercialization development fund
49 9 pursuant to section 15G.111, subsection 10, shall be reviewed
49 10 by the technology commercialization committee established in
49 11 section 15.116, which shall make a recommendation on each
49 12 application to the board.

49 13 EXPLANATION

49 14 This bill relates to various financial assistance programs
49 15 operated by the department of economic development. The bill
49 16 makes organizational changes to the administration of the grow
49 17 Iowa values fund and the programs funded with moneys
49 18 appropriated to it. The bill also makes related changes to
49 19 the high quality job creation program and the enterprise zone
49 20 program.

49 21 Division I of the bill reorganizes the administration of
49 22 the grow Iowa values fund. While the grow Iowa values fund is
49 23 sometimes referred to as if it were a single program, under
49 24 current law, it is actually an annual appropriation to the
49 25 department of economic development that the department uses to
49 26 fund a number of otherwise unrelated programs. The programs
49 27 the department funds through the grow Iowa values fund include
49 28 the community economic betterment program, the entrepreneurial
49 29 ventures assistance program, the value-added agricultural
49 30 products and processes financial assistance program, the
49 31 physical infrastructure financial assistance program, and the
49 32 loan and credit guarantee program. Each of these programs has
49 33 separate eligibility requirements and financial assistance
49 34 mechanisms, and some have funding sources other than moneys
49 35 appropriated from the grow Iowa values fund. When moneys from
50 1 the grow Iowa values fund are used to fund one of these
50 2 programs, recipients of the moneys are required to pay wages
50 3 at 130 percent of the average county wage, regardless of any
50 4 wage requirements contained in the program itself. If,
50 5 however, a recipient receives financial assistance under one
50 6 of the programs that comes from a funding source other than
50 7 the grow Iowa values fund, the recipient is only subject to
50 8 the job and wage requirements of the program through which the
50 9 financial assistance was received. In order to simplify and
50 10 make uniform the job, wage, and benefit requirements and the
50 11 funding mechanisms of these programs, division I restructures
50 12 the appropriations within the grow Iowa values fund, creates a
50 13 grow Iowa values financial assistance program, repeals the
50 14 programs listed above, and creates a number of components
50 15 within the program, some of which correspond to the repealed
50 16 programs.

50 17 Division I establishes the grow Iowa values fund and
50 18 specifies that the fund consists of moneys from the following
50 19 sources: (1) the annual \$50 million appropriation pursuant to
50 20 Code section 15G.110; (2) interest, loan repayments, and grant
50 21 recaptures of fund moneys; (3) moneys accruing to the
50 22 department from the repealed programs listed above; and (4)
50 23 interest on moneys appropriated to the fund. The department,
50 24 with the board's approval, is authorized to use a portion of
50 25 the moneys accruing to the fund from the accounts or funds
50 26 associated with the repealed programs for covering
50 27 administrative costs and operations.

50 28 Currently, the grow Iowa values fund consists of multiple
50 29 appropriations. Code section 15G.110 appropriates \$50 million
50 30 to the department annually for deposit in the grow Iowa values
50 31 fund, and, for each fiscal year of the fiscal period beginning
50 32 July 1, 2009, Code section 15G.111 appropriates that \$50
50 33 million again in smaller amounts as follows: (1) \$32 million
50 34 to the department for financial assistance programs; (2) \$5
50 35 million to the department for allocation to the regents
51 1 institutions; (3) \$1 million to the department for allocation

51 2 to the department of natural resources for assistance to
51 3 certain state parks; (4) \$1 million to the treasurer of state
51 4 for deposit in the cultural trust fund; (5) \$7 million to the
51 5 department for allocation to community colleges; (6) \$1
51 6 million to the department for financial assistance to economic
51 7 development regions; and (7) \$3 million to the department for
51 8 providing certain commercialization services. Division I
51 9 restructures the multiple appropriations in Code section
51 10 15G.111 as a single appropriation of \$50 million to the
51 11 department, and the department is then directed to allocate
51 12 the same amounts in substantially the same manner as they are
51 13 appropriated under existing law.

51 14 While the allocations are substantially similar to
51 15 appropriations under current law, division I makes the
51 16 following changes to current law: (1) the department's \$32
51 17 million allocation for certain departmental purposes is
51 18 further allocated, including amounts for administrative costs,
51 19 financial assistance to businesses under the program,
51 20 marketing proposals, a labor shed study, responding to
51 21 opportunities and threats, procuring technical assistance,
51 22 covering existing loan guarantees, and \$2 million for deposit
51 23 in the renewable fuel infrastructure fund; (2) the current
51 24 appropriation to the treasurer of state for deposit in the
51 25 cultural trust fund is no longer appropriated to the treasurer
51 26 of state but instead to the department for deposit in the
51 27 cultural trust fund; and (3) the regents institutions, the
51 28 department of natural resources, the department of cultural
51 29 affairs, and the community colleges must submit a plan for
51 30 approval describing their proposed expenditure of allocations
51 31 under Code section 15G.111 to the economic development board
51 32 before the allocated moneys are released.

51 33 Division I establishes a grow Iowa values financial
51 34 assistance program. The purpose of the program is to provide
51 35 financial assistance from the moneys credited to the grow Iowa
52 1 values fund which have not been specifically allocated under
52 2 Code section 15G.111. The program consists of six components
52 3 under which an applicant may qualify for financial assistance:
52 4 (1) a 130 percent wage component; (2) a 100 percent wage
52 5 component; (3) an entrepreneurial component; (4) an
52 6 infrastructure component; (5) a value-added agriculture
52 7 component; and (6) a disaster recovery component. The purpose
52 8 and eligibility requirements of the program components are
52 9 similar in many respects to those of the repealed programs,
52 10 but the requirements of the program components are more
52 11 uniform with each other than those of the repealed programs
52 12 because they are reorganized and administered under a single
52 13 program.

52 14 Division I directs the department, with the approval of the
52 15 board, to allocate from the moneys in the fund an amount of
52 16 financial assistance that may be awarded under each component
52 17 of the program. This allocation among the program components
52 18 is distinct from the \$32 million allocation from the \$50
52 19 million annual appropriation as it encompasses all moneys in
52 20 the fund, including those accruing to the fund from sources
52 21 other than the annual appropriation to the department, as
52 22 described in Code section 15G.111, subsection 1.

52 23 Division I requires the department to calculate a fiscal
52 24 impact ratio before the board approves an award of financial
52 25 assistance under certain components of the program. The board
52 26 is directed to ensure that the amount of each award is
52 27 appropriate to the fiscal impact ratio. The fiscal impact
52 28 ratio is calculated by taking the amount of all taxes to be
52 29 received from a business and dividing that amount by the total
52 30 cost to the state of providing financial incentives to the
52 31 business.

52 32 Division I provides that for each award of financial
52 33 assistance, the department must enter into an agreement with
52 34 the recipient that describes the terms and obligations under
52 35 which the financial assistance is provided. Each agreement
53 1 must contain a project completion date, a maintenance period
53 2 completion date, the number of jobs created or retained, the
53 3 amount of financial assistance provided, and the amount of
53 4 matching funds from a city or county.

53 5 Division I provides for a number of standard requirements
53 6 that every recipient of financial assistance under the program
53 7 must meet: (1) a report on violations of law must be
53 8 submitted; (2) the business cannot have closed or reduced
53 9 operations in one area of the state and simply moved them to
53 10 another area of the state; and (3) providing financial
53 11 assistance to one business cannot have a negative impact on
53 12 other businesses in competition with the business.

53 13 Division I provides that in administering the financial
53 14 assistance program, the department must annually calculate a
53 15 county wage and a regional wage for each county for purposes
53 16 of determining eligibility for financial assistance under the
53 17 program. The county wage and the regional wage are based on
53 18 data from the most recent four quarters of wage and employment
53 19 data as reported by the department of workforce development.
53 20 The county and regional wage calculations do not include the
53 21 value of benefits.

53 22 The county wage is the average of the wages paid for jobs
53 23 performed in the county by employers in all employment
53 24 categories except government, agriculture, and mining. The
53 25 regional wage is an average of certain county wages and is
53 26 calculated as follows: (1) multiplying by four the county
53 27 wage of a county; (2) adding together the county wage of each
53 28 of the counties adjacent to the county; (3) adding the result
53 29 obtained in step 1 to the result obtained in step 2; and (4)
53 30 dividing the result obtained in step 3 by the sum of the
53 31 number of counties adjacent to the county plus four.

53 32 Division I provides for a 130 percent wage component. In
53 33 order to qualify for financial assistance under this
53 34 component, a business must create or retain jobs as part of a
53 35 project and demonstrate that the jobs meet a wage requirement.
54 1 The precise amount and timing of the wage requirement depends
54 2 on whether the business is creating or retaining jobs. For
54 3 created jobs, the requirement is that the jobs pay at least 90
54 4 percent of the qualifying wage threshold at the start of the
54 5 project and at least 130 percent as of the project completion
54 6 and maintenance period completion dates identified in the
54 7 agreement with the department. For retained jobs, the wage
54 8 requirement is that the jobs pay at least 130 percent of the
54 9 qualifying wage threshold throughout the period covered by the
54 10 agreement. The qualifying wage threshold is the county wage
54 11 or the regional wage, as described above, whichever is lower.

54 12 In order to qualify under the 130 percent wage component, a
54 13 business must also provide a sufficient benefits package to
54 14 its employees. The department, with board approval, is
54 15 directed to formulate rules determining what constitutes a
54 16 sufficient benefits package. A business providing a
54 17 sufficient benefits package automatically qualifies for a
54 18 credit against the 130 percent qualifying wage threshold. The
54 19 amount of the credit is calculated and applied as follows: (1)
54 20 multiplying by one and three-tenths the qualifying wage
54 21 threshold of the county in which the business is located; (2)
54 22 multiplying the result of step 1 by one-tenth; and (3)
54 23 crediting the amount of the result of step 2 against the
54 24 amount represented by the 130 percent qualifying wage
54 25 threshold requirement. The credit cannot be applied to the 90
54 26 percent qualifying wage threshold that is applicable at the
54 27 beginning of certain projects.

54 28 In order to qualify under the 130 percent wage component, a
54 29 business must also demonstrate that the jobs created or
54 30 retained will have a sufficient impact on state and local
54 31 government revenues, as determined by the department's fiscal
54 32 impact ratio calculation.

54 33 In order to qualify under the 130 percent wage component, a
54 34 business cannot be a retail business or a business where
54 35 entrance is limited by a cover charge or membership
55 1 requirement.

55 2 If a business qualifies for financial assistance under
55 3 another program that has higher wage requirements than the 130
55 4 percent wage component, then the business must meet those
55 5 requirements, regardless of the wage requirements imposed
55 6 under the 130 percent wage component.

55 7 Division I provides for a 100 percent wage component. In
55 8 order to qualify for financial assistance under this
55 9 component, a business must create or retain jobs as part of a
55 10 project and demonstrate that the jobs meet a wage requirement.
55 11 The wage requirement depends on whether the business is
55 12 creating or retaining jobs. For created jobs, the wage
55 13 requirement is that the jobs pay at least 90 percent of the
55 14 qualifying wage threshold at the start of the project and at
55 15 least 100 percent as of the project completion and maintenance
55 16 period completion dates identified in the agreement with the
55 17 department. For retained jobs, the wage requirement is that
55 18 the jobs pay at least 100 percent of the qualifying wage
55 19 threshold throughout the period covered by the agreement.

55 20 In order to qualify under the 100 percent wage component, a
55 21 business must also provide a sufficient benefits package to
55 22 its employees. The department, with board approval, is
55 23 directed to formulate rules determining what constitutes a

55 24 sufficient benefits package. There is no credit toward the
55 25 qualifying wage threshold under the 100 percent wage
55 26 component.

55 27 As with the 130 percent wage component, a business must
55 28 show a sufficient impact on government revenues, as determined
55 29 by the fiscal impact ratio, and cannot be a retail business or
55 30 a business where entrance is limited by a cover charge or
55 31 membership requirement.

55 32 Division I provides for an entrepreneurial component. This
55 33 component is similar in purpose to the entrepreneurial
55 34 ventures assistance program repealed in division I of the
55 35 bill. In order to qualify under this component, a business
56 1 must be an early-stage business. "Early-stage business" means
56 2 a business which has been competing in a particular industry
56 3 for three years or less. A business must also have consulted
56 4 with and obtained a letter of endorsement from either a
56 5 business accelerator approved by the department or from an
56 6 entrepreneurial development organization recognized by the
56 7 department. Businesses applying for financial assistance
56 8 under this component are not required to have matching funds
56 9 from a city or county. In awarding financial assistance under
56 10 this component, the department and the board are directed to
56 11 give priority to certain industries with the greatest
56 12 potential for growth.

56 13 Division I provides for an infrastructure component. This
56 14 component is similar in purpose to the physical infrastructure
56 15 assistance component repealed in division I of the bill. In
56 16 order to qualify for financial assistance under this
56 17 component, a business or community must be engaged in a
56 18 physical infrastructure project. "Physical infrastructure
56 19 project" means a project that creates necessary infrastructure
56 20 for economic success throughout Iowa, provides the foundation
56 21 for the creation of jobs, and that involves the investment of
56 22 a substantial amount of capital.

56 23 Division I provides for a value-added agriculture
56 24 component. This component is similar in purpose to the
56 25 value-added agricultural products and processes financial
56 26 assistance program repealed in division I of the bill. In
56 27 order to qualify for financial assistance under this
56 28 component, a business must be a production facility engaged in
56 29 the process of adding value to certain agricultural products.
56 30 The board and the department cannot award financial assistance
56 31 under this component in an amount exceeding 50 percent of the
56 32 total capital investment in a project. A business applying
56 33 for financial assistance under this component is eligible for
56 34 financial assistance regardless of whether the business has
56 35 received matching funds from a city or county.

57 1 Division I of the bill provides for a disaster recovery
57 2 component. In order to qualify for financial assistance under
57 3 this component, a business must meet all of the following
57 4 conditions: (1) the business must be located in an area
57 5 declared a disaster area by a federal official; (2) the
57 6 business must have sustained substantial physical damage and
57 7 have closed as the result of a natural disaster; (3) the
57 8 business must have a plan for reopening that includes
57 9 employing a sufficient number of the employees the business
57 10 employed before the natural disaster occurred; and (4) the
57 11 business must pay wages at the same level after reopening as
57 12 it paid before the natural disaster occurred.

57 13 Division I provides for financial assistance under certain
57 14 circumstances constituting either an opportunity or a threat
57 15 to the state. The department, with the approval of the board,
57 16 may award financial assistance to a business, an individual, a
57 17 development corporation, a nonprofit organization, or a
57 18 political subdivision of the state where, in the opinion of
57 19 the department, there is a project presenting a unique
57 20 opportunity for economic development in the state, or where
57 21 there is a need to address a situation constituting a threat
57 22 to the continued economic prosperity of the state. Financial
57 23 assistance provided under these circumstances comes from the
57 24 grow Iowa values fund, but such financial assistance is not
57 25 subject to the standard requirements of the grow Iowa values
57 26 financial assistance program or any of its components. The
57 27 board is directed to adopt rules governing the eligibility of
57 28 projects for this form of financial assistance.

57 29 Division I directs the department, with the approval of the
57 30 board, to adopt rules making the terms of agreements with the
57 31 recipients of financial assistance uniform across different
57 32 programs, to the extent possible. These programs include the
57 33 grow Iowa values financial assistance program, the high
57 34 quality jobs program, and the enterprise zone program.

57 35 Division I requires the department to accept and process
58 1 applications for financial assistance under the program before
58 2 preparing them for the board. The due diligence committee
58 3 established by the board pursuant to Code section 15.103 must
58 4 review all applications and make a recommendation to the
58 5 board. Applications for financial assistance under the
58 6 value-added agriculture component must also be reviewed and
58 7 recommended by the agricultural products advisory council
58 8 established pursuant to Code section 15.203. Applications for
58 9 financial assistance related to technology commercialization
58 10 must be reviewed by the technology commercialization
58 11 committee. In overseeing the administration of the grow Iowa
58 12 values fund and financial assistance program, the board must
58 13 take final action on the department's recommended annual
58 14 allocations of fund moneys at the first board meeting after
58 15 the start of a new fiscal year, consider the recommendations
58 16 of the due diligence committee and agricultural products
58 17 advisory council, and take final action on the plans for
58 18 proposed expenditures submitted by the entities receiving
58 19 moneys allocated under Code section 15G.111.

58 20 Division I establishes an accelerated career education fund
58 21 in the state treasury under the control of the department and
58 22 consisting of moneys appropriated to the department for
58 23 purposes of funding the cost of accelerated career education
58 24 program capital projects.

58 25 Division I provides for the transfer of the balance of
58 26 moneys remaining in the various funds and accounts associated
58 27 with the programs abolished in division I of the bill.
58 28 Because there are moneys obligated as guarantees made under
58 29 the loan and credit guarantee program which may become
58 30 unobligated on a future date, division I provides for the
58 31 future transfer of such moneys to the grow Iowa values fund.
58 32 Division I also provides for the transfer to the accelerated
58 33 career education fund of certain past appropriations made to
58 34 the department for purposes of accelerated career education
58 35 program capital projects.

59 1 Division II of the bill relates to the high quality job
59 2 creation program. Currently, the high quality job creation
59 3 program provides financial incentives to businesses that meet
59 4 certain job and wage requirements, but these requirements are
59 5 independent of any similar requirements in programs funded
59 6 through the grow Iowa values fund. Because applicants can
59 7 apply to both programs, they are often subject to differing
59 8 requirements on the same project. Division II applies the job
59 9 creation requirements and the 130 percent qualifying wage
59 10 threshold requirements, including the credit for providing a
59 11 benefits package, of the grow Iowa values financial assistance
59 12 program to the high quality job creation program. These
59 13 changes include making financial assistance under the high
59 14 quality job creation program available for projects retaining
59 15 jobs, thus division II changes the name of the program to the
59 16 high quality jobs program.

59 17 Division II makes some changes to the high quality jobs
59 18 program in addition to the changes necessary to standardize
59 19 certain requirements with the requirements in the grow Iowa
59 20 values financial assistance program. Under current law, the
59 21 department must consider all of the following: (1) whether a
59 22 business that has merged with an Iowa company within the past
59 23 three years has made a good faith effort to hire the workers
59 24 of the acquired company; (2) whether the business has a hiring
59 25 preference for Iowa residents; and (3) whether all known
59 26 environmental permits have been issued and regulations met.
59 27 Division II eliminates these provisions.

59 28 Division II moves the definition of "project completion"
59 29 from the definitions in Code section 15.327 to the sales tax
59 30 refund provision in Code section 15.331A. The provision
59 31 defining "project completion" is only applicable to sales tax
59 32 refunds.

59 33 Currently, the high quality job creation program contains a
59 34 schedule of certain tax incentives available to eligible
59 35 businesses under the program. The schedule is graduated,
60 1 providing increasing investment tax credits and sales tax
60 2 refunds as the number of jobs created and the amount of the
60 3 qualifying investment are increased. The graduated schedule
60 4 contains two tiers: one for jobs paying 130 percent of the
60 5 average county wage and one for jobs paying 160 percent of the
60 6 average county wage. Division II removes the current "average
60 7 county wage" language and replaces it with the qualifying wage
60 8 threshold requirements described in the grow Iowa values
60 9 financial assistance program. The 160 percent tier of
60 10 incentives is eliminated, and the graduated scale of

60 11 incentives is adjusted by changing the number of jobs that are
60 12 required to be created in order to reach certain incentive
60 13 levels.

60 14 Currently, the high quality job creation program provides
60 15 for project-specific waivers from the wage requirements of the
60 16 program. These waivers refer to average county or average
60 17 regional wage calculations. Division II retains the waivers,
60 18 but amends the language of the waiver provisions to reflect
60 19 the county wage and regional wage calculations of the grow
60 20 Iowa values financial assistance program.

60 21 Division III of the bill relates to enterprise zones. Like
60 22 the high quality job creation program, there are
60 23 benefit-related, job-related, and wage-related eligibility
60 24 requirements under the enterprise zone program. Division III
60 25 standardizes some of these requirements with similar
60 26 requirements in the high quality jobs program and the grow
60 27 Iowa values financial assistance program.

60 28 Currently, in order to be eligible, a business must provide
60 29 employees with a benefit plan that pays 80 percent of the cost
60 30 of medical and dental insurance or the monetary equivalent of
60 31 such a plan. Division III standardizes the benefit
60 32 requirement for the enterprise zone program with the benefit
60 33 requirements of the grow Iowa values financial assistance
60 34 program and the high quality jobs program. Specifically, a
60 35 business must provide a sufficient package of benefits to
61 1 employees, but what constitutes sufficient is determined by
61 2 rule.

61 3 Currently, an eligible business under the enterprise zone
61 4 program must pay wages that are at least 90 percent of the
61 5 average county wage, but not less than \$7.50 per hour.
61 6 Division III changes the wage requirement to be 90 percent of
61 7 the qualifying wage threshold, as defined in the grow Iowa
61 8 values financial assistance program. The \$7.50 per hour
61 9 requirement is eliminated.

61 10 Currently, an eligible business under the enterprise zone
61 11 program must create at least 10 full-time positions and
61 12 maintain them for at least 10 years. Division III requires
61 13 instead that 10 full-time positions must be maintained until
61 14 the maintenance period completion date, as defined in the grow
61 15 Iowa values financial assistance program. Currently, under
61 16 certain circumstances in low-population counties, a business
61 17 may only be required to create five jobs initially, with the
61 18 other five jobs to be created within five years. Division III
61 19 eliminates the provision that allows this.

61 20 Currently, an eligible business under the enterprise zone
61 21 program must make a capital investment of at least \$500,000,
61 22 but is allowed to count the fair market value of the building
61 23 and the land, up to \$250,000, toward this capital investment
61 24 requirement if the business will be occupying a vacant
61 25 building suitable for industrial use. Existing businesses
61 26 operating in an enterprise zone for at least five years are
61 27 also eligible for an exemption from the capital investment
61 28 requirement of up to \$250,000. Division III eliminates the
61 29 ability to count the fair market value of the building and the
61 30 land, as well as the exemption for existing businesses.

61 31 Currently, an enterprise zone commission must consider the
61 32 impact an eligible business will have on competing businesses.
61 33 Division III standardizes the language of this requirement
61 34 with similar language in the grow Iowa values financial
61 35 assistance program.

62 1 Currently, an eligible business under the enterprise zone
62 2 program must submit an affidavit on its compliance with
62 3 federal environmental and worker safety laws. Division III
62 4 standardizes this language with similar language in the grow
62 5 Iowa values financial assistance program requiring a report on
62 6 violations of law.

62 7 Division IV of the bill makes amendments to the Code in
62 8 conformance with the changes made in divisions I, II, and III
62 9 of the bill. These amendments include changes to the duties
62 10 of the economic development board's loan and credit guarantee
62 11 committee, adding administration of the grow Iowa values
62 12 financial assistance program to the duties of the board,
62 13 removing references in certain reporting requirements to the
62 14 programs abolished in division I, adding review of
62 15 applications for financial assistance under the value-added
62 16 agriculture component of the grow Iowa values financial
62 17 assistance program to the duties of the agricultural products
62 18 advisory council, removing various references throughout the
62 19 Code to the programs abolished in division I, and changing
62 20 certain provisions to refer to the grow Iowa values financial
62 21 assistance program instead of the grow Iowa values fund or the

62 22 programs abolished in division I.
62 23 Division IV contains two conditional enactments. If House
62 24 Study Bill 109 is enacted, division IV makes certain
62 25 conforming amendments to harmonize sections of the Code.
62 26 LSB 1441DP 83
62 27 tw/rj/14.1